

Even if drastic remedies were adopted today, the benefits would not follow immediately. There is usually a lag of about a year between the decision to build a vessel and the keel laying. Meanwhile, shipyards are faced with losing their valuable technical and design staffs.

What is behind the threatened slump?

The most obvious factor is the resurgence of foreign competition. It costs an estimated 40 percent less to build a ship overseas than it does in the United States. That's a big reason Americans have given foreign shipyards some \$878 million worth of business since 1948. The United States, at the top of the heap during the Second World War, now ranks sixth among shipbuilders. (First five: Britain, Germany, Sweden, Holland, and France.)

Smaller share: Another reason for the slump is that American shipping lines are getting less business, so naturally they are ordering fewer ships. In 1947, United States flag lines hauled 56 percent of the Nation's imports and exports. Their share is now down to 28 percent. It could go lower. The end of fighting in Korea has hurt traffic. Cutbacks in the foreign-aid program have been a blow.

Also, the Navy is now doing more of its own work in Government shipyards. Before the war, there were 4 workers in private shipyards for every 1 in a navy yard. Today, there are twice as many navy workers as private ones. (The Navy tried to soften the blow to private shipyards recently when it gave a \$53 million order for 3 destroyers to the Bethlehem Steel Co.'s Quincy, Mass., shipyard, and a \$118 million contract for a supercarrier to the Newport News (Va.) Shipbuilding & Drydock Co.)

The plight of the shipbuilder isn't just the story of an industry in trouble. The national security is directly involved. The importance of the merchant marine in wartime doesn't have to be emphasized. Yet a Senate subcommittee recently reported a deficiency, for defense purposes, of 165 cargo ships, 6 large passenger liners, and 43 big tankers.

Too old: Darkening the picture further is the fact that much of the private ocean-going fleet—1,246 ships—is aging rapidly. Almost 80 percent of this fleet was war-built and will become obsolete between 1962 and 1967.

What is the United States Government doing to save the situation? Precious little, most shipbuilders believe. For the first time since 1936, the Federal budget this year doesn't include a request for money for shipbuilding subsidies. One company, the United States Lines, is still trying to collect \$10 million of funds the Government agreed to pay it to subsidize making the luxury liner *United States* convertible into a transport.

Government officials insist that they do have an adequate support program. It would include enforcing requirements that shipping lines keep the fleets modernized, taking some steps to stimulate tanker buying, and refitting several old Liberty ships.

Shipbuilders question this kind of planning as far too short range and too narrow a base on which to found a permanently prosperous merchant marine. Their problems, they say, are more fundamental.

The foremost one, according to such a veteran shipping man as Walter E. Maloney, president of the American Merchant Marine Institute, is to restore confidence among shipbuilders and shipping lines on the matter of subsidies. This has been badly shattered recently because the Government has tied up subsidy payments it contracted to make for part of the building costs of the liners *United States*, *Independence*, and *Constitution*. Today no line will build and no bank will put money into such a vessel.

A firm subsidy payments formula, Maloney predicts, would create quick demand for 7 new liners—2 each from the Grace,

Moore-McCormack, and Farrell Lines, and 1 from Delta.

Another support favored by the authoritative Propeller Club would be to make permanent the requirement that half of all foreign-aid shipments be carried in United States bottoms. Still another would be the withdrawal of the Government from the shipping business. A big fleet of Government-owned tankers is currently hauling oil at a time when 57 privately run tankers are idle for lack of orders.

Unless some such steps are taken, shipping spokesmen warn, their industry is in for deep trouble.

SIGNIFICANCE

It is true that the United States merchant marine is at a historic crossroads. And the stake is far greater than the investments of any individual companies. The national security is inextricably involved.

What then is the outlook? The United States shipping and shipbuilding industries are always going to have relatively rough going. Their operating costs will always be high, compared with those of overseas rivals. And the problem of subsidies will always be a thorny one as administrations succeed each other in Washington.

Nonetheless, there is actually reason right now for some cautious optimism. If there was a mess in Washington under the Truman administration, the worst mess of all was in the maritime affairs. It hasn't received much publicity, but things are now dramatically different. New Federal Maritime Administrator Louis S. Rothschild is opening the eyes of industry veterans. He is doing a remarkable job of bringing about efficiency and sense in maritime operations.

As for the subsidy problem, it is actually far from being at an impasse. Shipping and Government representatives have for some time been pretty much in agreement on how big subsidies should run. The hitch has been that, through some inconceivable blunder, the statute covering the matter failed to authorize the General Accounting Office to ante up the agreed-upon subsidies in many situations. Congress will be asked to remedy this. It may not get around to it in this busy election year but action seems assured by early next year. When this snafu is cleared up Rothschild is confident that supplemental appropriations to cover subsidy payments will be quickly forthcoming.

Straightening out the subsidy snarl is almost certain to bring a burst of new orders for private passenger and cargo vessels. And the Navy is expected to order many new transport, cargo, and antisubmarine craft this coming year. On top of that, the deepening crisis in Indochina and southeast Asia, causing a probable heavy movement of defense materials to that area, should have the effect of firming up worldwide shipping markets generally.

Summing up, the American shippers and shipbuilders have had and are in for some heavy weather. The immediate outlook is an undeniably grim one. But, assuming new understanding and reasonably prompt action in Washington, there is reason to hope for something better in the future. The end of the line for the merchant marine is not, after all, just around the corner.

RECESS TO 11 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 33 minutes p. m.) the Senate took a recess, the recess being, under the unanimous-consent agreement entered into yesterday, until tomorrow, Thursday, March 11, 1954, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 10 (legislative day of March 1), 1954:

IN THE NAVY

Vice Adm. Matthias B. Gardner, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Plans and Policy).

Vice Adm. Robert P. Briscoe, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Fleet Operations and Readiness).

Vice Adm. William M. Callaghan, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Commander, Naval Forces, Far East.

Rear Adm. Thomas G. W. Settle, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Commander, Amphibious Force, Pacific Fleet.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 10 (legislative day of March 1), 1954:

COMPTROLLER OF CUSTOMS

Frank M. Kalteux, of Illinois, to be Comptroller of Customs, with headquarters at Chicago, Ill.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 10, 1954

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, this is a day which Thou hast made and we will rejoice and be glad in it.

We render unto Thee the tribute of our heartfelt praise, for daily we dwell under the canopy of Thy divine providence.

Grant us power and poise of spirit for we cannot perform our duties and carry our burdens without Thy help.

May we hear and heed Thy voice and follow those ways which Thou hast marked out for us, for Thy ways are the ways of pleasantness and Thy paths are the paths of peace.

Bless our colleagues who are still in suffering and pain. Continue to give wisdom and skill to the doctors and nurses who are laboring so conscientiously and ardently to restore them to health of body.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

SELECT COMMITTEE TO INVESTIGATE AND STUDY THE SEIZURE AND FORCED INCORPORATION OF LITHUANIA, LATVIA, AND ESTONIA BY THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE TREATMENT OF BALTIC PEOPLES

The SPEAKER. Pursuant to the provisions of House Resolution 346 as amended by House Resolution 438, 83d Congress, the Chair appoints as additional members of the Select Committee

To Investigate and Study the Seizure and Forced Incorporation of Lithuania, Latvia, and Estonia by the Union of Soviet Socialist Republics and the Treatment of Said Baltic Peoples, the following Members of the House: Mr. HILLINGS, of California; Mr. FEIGHAN, of Ohio.

COMMITTEE ON AGRICULTURE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have permission to sit during general debate today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HON. JOHN FOSTER DULLES, SECRETARY OF STATE

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, Secretary of State John Foster Dulles struck a real blow for freedom at the Caracas Conference in the speech he made there Monday. In his address Secretary Dulles analyzed the resolution introduced by the United States delegation entitled "Intervention of International Communism in the American Republics."

This resolution seeks to do two things. It seeks to brand international communism as a conspiracy; a threat to free institutions; a threat to the sovereignty and political independence of all the member nations of the Inter-American Conference. Secondly, it calls for the exposure of communism in such a way as to weaken the conspiracy and make it impotent in its effort to destroy our free way of life.

Secretary Dulles did an able job in identifying international communism. He pulled no punches in branding it the conspiracy that it is. He named the organs of subversion which the Kremlin counts upon to accomplish its vile conspiracy. He made it crystal clear that the objective of international communism is the enslavement of all the peoples of the world.

It is significant that Secretary Dulles made note of the efforts of Czarist Russia and its allies to extend its despotic political system to this hemisphere during the early part of the 19th century. Moscow, then as now, was attempting to establish a colonial enslavement in the New World. He makes it clear that the methods used by Moscow are far more clever today than then were in the early part of the 19th century.

He concluded with identifying the manner in which the slogan of nonintervention is invoked and twisted in order to provide immunity for flagrant Communist intervention in the affairs of free and sovereign nations.

The Secretary of State is to be commended for the stand he has taken at Caracas. I am sure Members of Con-

gress and the overwhelming majority of the American people will applaud him every time he calls a spade a spade.

JUVENILE DELINQUENCY: A NATIONAL PROBLEM

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, I want to speak very briefly about a problem which concerns each of us, not only as legislators but as parents. That is the problem of juvenile delinquency.

In my own city of Newark, in New York, Chicago, San Francisco, Kansas City, even in the Capital City of our Nation and all across the land, parents are shocked and alarmed at the increasing lawlessness of our young people. Everywhere they are asking: How serious is the problem? What can be done? What are we doing now?

Let us look at the facts. In 1952, juvenile courts reporting to the Children's Bureau saw a 10 percent rise in delinquent children over 1951. For the 4-year period from 1948 to 1952, the increase was 29 percent. Yet the total number of children 10 to 17 years old—the age in which most delinquency occurs—increased no more than 6 percent during this same 4-year period, and only 3 percent from 1951 to 1952. As these figures clearly show, the rising tide of juvenile delinquency far outdistances the growth in population.

But this is not the worst of it. There is every indication that the next few years will bring an even greater increase in the number of delinquent boys and girls. The babies born during the "baby boom" of World War II are growing up. According to the Bureau of the Census estimates, by 1960 the age group 10 to 17 is going to be almost half again as large as it was in 1951—or will have increased 42 percent. How many of these children will become delinquent? Will their number also increase 42 percent? Or will it continue to outpace population growth? Or will we succeed in preventing further increases? These are the \$64 questions before us today.

The problem reaches into every area of society. It is not confined to the big cities or to slum areas. It hits well-to-do families as well as poor ones. It crops up in small towns as well as large ones. Turning again to the recently published statistics of the Children's Bureau, we find that for 1952 the increase in juvenile delinquency in less densely populated areas of the country kept pace with the average increase for the Nation as a whole for the period 1951-52. In the 4-year period 1948-52, however, the rural average far outpaced the national average. For example, juvenile courts in less populated districts—those serving jurisdictions of less than 100,000—handled 10 percent more delinquency cases in 1952 than they did in 1951. This was also the national average increase. However, the increase for the smaller areas in the 4-year period—1948-52—amounted to 41

percent as compared with the national average of 29 percent.

Leaving aside for a moment the costs in terms of personal unhappiness, wasted and unproductive years, and family distress, what is juvenile delinquency costing us in terms of dollars and cents? The Children's Bureau, this year, estimated that the cost of handling each delinquent child who reaches a juvenile court averages roughly \$300. This means that the cost to the public for handling 1952's 385,000 juvenile-court children was, roughly, \$115,500,000. However, only about one-third of our delinquent boys and girls are brought to the attention of the juvenile courts. This delinquency bill, therefore, does not include the cost of the children who were picked up by the police and then released, nor does it include the terrific costs of institutional care and treatment.

That is a lot of money. A minimum of \$115½ million. Of course, if the expenditures added up to a solution of the problem we would call it money well spent. It would indeed be a bargain price if it meant that the estimated 1 million juvenile delinquents were turned from twisted, antisocial behavior to happy, responsible citizenship.

Regrettably, this is not the case. It has been estimated that more than 5 out of every 10 young people who appear before juvenile courts go on to commit 1 or more serious crimes for which they are convicted as adults.

Where do these facts leave us? We spend and we do not accomplish the ends for which we spend. If at least 50 percent of the delinquent youths who are actually dealt with by our juvenile courts go on to become adult criminals, and if new and expanding crops of delinquents keep coming along, it is obvious that we are not spending wisely.

Our present facilities for helping children are hopelessly inadequate. There are not enough of them, and those we have are not able to offer the right kind of service. For example, too few of our police departments have specially trained officers for handling juvenile delinquents. In many communities, children awaiting juvenile court procedure are held in a jail or in a police lockup with hardened criminals. Even in cases where detention homes are provided, they are usually barren and grim places, hardly conducive to the therapeutic treatment necessary at this stage in the delinquent's career. Even after the delinquent has progressed from the hands of the police, through the dark halls of the detention home, to the juvenile court judge he cannot be sure of sympathetic understanding. Too many of our juvenile court judges do not have enough time to give full consideration to each child's case. In addition, there are not enough social workers to help the judge gather information about the child and his particular problems. Often, the judge must fit the juvenile cases into an already overloaded schedule of criminal and civil cases. Consequently, they find they have to release the children without proper supervision or send them away to a training school. Not even in the training schools are we providing the proper treatment for delinquent children. Here they should

receive psychiatric attention for their personal problems as well as vocational training so that when they go back into the community, they will not fall into old habits. Too few of our training schools have adequate personnel with the experience and education necessary to give this sort of treatment.

Now, what can you and I do to provide more favorable living conditions for young people? May I suggest, as a first step, that we take a new look at juvenile delinquency; that we look behind the delinquent actions of young people, to the real needs of which those actions are a distorted and desperate expression. Prevention, as well as cure, lies in this direction. Stealing, truancy, running away from home are all forms of delinquency. But underlying these actions are conditions which have left unfulfilled certain of the very real needs of human development. These may be the purely physical needs for food, clothing and shelter; or they may be the more subtle, hard-to-define needs for emotional and spiritual development. In any case, the frustration of these needs results in a distorted picture of reality to the child. His means of coping with reality are therefore also distorted. For instance, the child who does not get affection from his parents will seek it elsewhere. He may eventually find it in the teen-age gang. The child who lives in an overcrowded slum tenement will look for recreation outside the home. He may be left to roam the streets, unsupervised, seeking excitement and companionship where he finds it. The child whose parents suffer the insecurities of unemployment, prolonged illness or low wages is apt to feel more frightened than secure in his world.

I make no claim to being a child behavior expert, but as a parent I do know this. Give a child a home in which there is love and security, and he will most likely live a wholesome, productive life. Give a child a home where there is hatred and economic insecurity, and his chances of learning the ways of responsibility are decreased.

What can you and I do? We can pool our knowledge and resources toward our common goal—the welfare of our children. By intelligent and courageous planning, we can bring into more effective use all the community services concerned with the welfare of children. Likewise, we can see to it that the activities of these agencies are coordinated to meet the 24-hour needs of all children.

Finally, as citizens, you and I can take a vigilant interest in the community life that affects our children and the children of our neighbors. Only as all citizens develop a sense of responsibility and participation for the common good can we hope to achieve the kind of community life that promotes the wholesome development of children. By the same token, young people growing up in this atmosphere of community cooperation are apt to learn, by emulation, the ways of good citizenship.

I have mentioned, very generally, what appear to me to be some of the crucial factors in the problem of juvenile delin-

quency. I have also mentioned, in a broad manner, certain lines of attack. However, we need more information and more investigation into the various economic, social, and psychological phases of the problem before we work out the specific details of a nationwide program to prevent and cure juvenile delinquency. An attempt to get this information is being made at this time by the Senate subcommittee investigating juvenile delinquency. I have every confidence that this congressional group's recommendations will point the way toward a better chance for young people.

We know the problem; we hope to know the solution. Let us then ask ourselves the question: What can we do, as legislators, as parents, and as citizens? Let us then do our part.

SPECIAL ORDER GRANTED

Mr. HOSMER asked and was given permission to address the House for 30 minutes on Thursday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

EXCISE TAX REDUCTION ACT OF 1954

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 465 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8224) to reduce excise taxes, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

CALL OF THE HOUSE

Mr. KARSTEN of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 27]

Battle	Fallon	Miller, Calif.
Belcher	Forrester	Powell
Bentley	Gamble	Rains
Blatnik	Gubser	Rivers
Chelf	Hébert	Roberts
Clardy	Hollifield	Shafer
Curtis, Nebr.	Howell	Sutton
Davis, Tenn.	Jensen	Teague
Dawson, Ill.	Krueger	Welchel
Engle	McCarthy	Wilson, Tex.

The SPEAKER. Three hundred and ninety-eight Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION GRANTED COMMITTEES TO SIT DURING SESSION OF HOUSE TODAY

Mr. McCONNELL. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Indian Affairs may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. FRIEDEL asked and was given permission to address the House for 30 minutes tomorrow, following the legislative business of the day and any special orders heretofore entered.

Mr. WICKERSHAM asked and was given permission to address the House for 10 minutes on Friday, following the legislative business of the day and any special orders heretofore entered on the subject: Girl Scouts of the United States of America.

EXCISE TAX REDUCTION ACT

The SPEAKER. The gentleman from Illinois [Mr. ALLEN] is recognized for 1 hour.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and yield myself such time as I may require.

The SPEAKER. The gentleman from Illinois is recognized.

Mr. ALLEN of Illinois. Mr. Speaker, this resolution makes in order H. R. 8224, a bill to reduce excise taxes. This is a closed rule, the same type of rule that has been used in tax matters long before I came to Congress nearly 22 years ago.

It provides 4 hours of general debate.

It also provides that the Committee on Ways and Means may offer amendments and also that one motion to recommit may be submitted.

Mr. Speaker, there are two provisions in this bill. There was supposed to be a certain reduction or elimination of excise taxes with respect to some items beginning on April 1 of this year. These excise taxes affect such things as automobiles, diesel oil used for highway purposes, distilled spirits, cigarettes and so forth. This bill does not make provision for these excise taxes and the extension of these excise taxes will mean that the Federal Government will receive over \$1,700,000,000 during the next year. It is my understanding that the Committees on Ways and Means will offer an amendment which will limit the extension of these taxes to 1 year.

The other provision of this bill has to do with a general reduction in all excise taxes from whatever rate they are at present down to 10 percent. In other words, the tax on jewelry, luggage, toilet articles, furs, movies, sporting goods, electric light bulbs, photographic equipment, mechanical pens and local telephone calls will be reduced from 20 percent to 10 percent. The tax on long distance telephone calls which is now 25 percent will be reduced to 10 percent. The tax on ammunition and firearms, on bank deposit vaults, club dues, initiation fees and so forth will be reduced to 10 percent.

Mr. Speaker, I feel that most all of us agree that the excise tax on sporting goods, bicycles and so forth should have been reduced long ago and I think we all agree that headway has been made in the past year or so with regard to a general reduction in taxes. I need not tell you that during the past year the taxpayers of this Nation who have been overburdened with taxes have already received a tax reduction of over \$7 billion. The personal income tax has been reduced by 10 percent, beginning on January 1 of this year, which amounts to over \$3 billion. The relief so far as excess profits taxes are concerned will amount to \$1,700,000,000.

The tax revision bill which will come before this body next week will give tax relief in the amount of \$1.4 billion. The present tax bill before us, I repeat, will give relief to housewives and others in the amount of \$912 million. This makes a total, I repeat, Mr. Speaker, of \$7,012,000,000 that our people are getting in regard to tax relief.

I could not stop without saying, Mr. Speaker, that I think all of us give a great deal of credit to the members of the Committee on Ways and Means, people like the gentleman from New York [Mr. REED], and the gentleman from Tennessee [Mr. COOPER], and the others. They have done a great job, and I am sure that the taxpayers of the Nation are grateful to them.

Mr. Speaker, I urge the adoption of this resolution.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, the Ways and Means Committee, in its deliberations on the excise tax reductions now being considered, has taken a step in the right direction. Unfortunately

the committee did not deem it advisable to carry out the promises which the Republican administration made in the last campaign regarding the reduction of excise taxes. Had these campaign promises been carried out, excise taxes on automobiles, gasoline, motor trucks, accessories, moving pictures, and other commodities would be included and relieved of these wartime excise taxes on April 1 as scheduled. Nevertheless the present bill will partially give relief to purchasers of furs, jewelry, luggage, toilet articles, sporting goods, electric lights, photographic supplies, transportation, telephone and telegraph, and several other items. It is, indeed, unfortunate that last year after the House passed the cancellation of the excise tax on motion-picture admissions that the President vetoed the enactment.

I wish to commend the Democratic members of the Ways and Means Committee for the successful fight they made in drawing the attention of the public to the fact that this bill, in its original form, would have made most of these excise taxes permanent. The announcement which the Democratic members made that they would present a recommittal motion against this bill proved to be the reason that the Republican conference yesterday agreed to only 1-year extension of this excise tax instead of the majority party's original intention of making these excise taxes permanent. I understand one of the Democratic members of the Ways and Means Committee will offer a motion to recommit this bill recommending the abolishing of all excise taxes on admission tickets purchased for theaters and other entertainments which are less than 50 cents. I shall vote for such a recommittal motion.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, a few moments ago I saw a picture on the front page of the New York Times which came as a great shock to me and must have to everybody who sees it. It depicts a group of labor agitators picketing the United States courthouse in Foley Square in New York City. Under the picture is what purports to be a statement from the United States attorney to the effect that he is examining the law in order to determine whether or not any law is being violated by the action of these pickets.

Mr. Speaker, in order that he may not waste any more time in doing what is obviously his duty, I call his attention to section 31 of chapter 73 of title 18 of the United States Code as amended. This is an amendment to chapter 73 of title 18 of the code, which was enacted in order to deal with this particular kind of a situation. And, if the United States attorney in the city of New York does not proceed, then I am sure that we can construe his failure to act as his willing-

ness to permit law and order as we know it to be destroyed.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. CELLER. Would the gentleman agree that the demonstration of those agitators is in the nature of a wrong-called contempt of court, and that the law also imposes penalties on those who participate in such demonstration?

Mr. WALTER. There can be no question about the law. It was spelled out with meticulous care by the Committee on the Judiciary, and I just cannot imagine a man finding himself in the high position of United States attorney who did not know that what I saw in this picture this morning was a violation of the criminal code of the United States.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the largest tax reduction program proposed for the benefit of the American people in the past two decades is now under way in the Republican 83d Congress.

There are a number of misconceptions regarding tax legislation proposed by the Republican administration in addition to tax reductions which have already been achieved.

Here are the figures, which dispel any doubts about who benefits the most from tax cuts which we have already passed on to the American people or will within the near future. Of course, estimates, while reasonably accurate, are always subject to some minor adjustments.

The annual tax relief that will be obtained when the administration's entire tax program is completed this year totals \$7,300,000,000.

For individuals alone, the tax saving from administration measures totals an estimated \$4,700,000,000. This is cash in the pockets for our taxpayers to spend for the things they need and want in their own way and in their own time.

The personal income tax reduction of 10 percent alone accounts for a \$3 billion tax saving for 1 full year.

The excise tax cut legislation before the House today, on the basis of Treasury Department estimates for the first full year it will be in effect, totals \$900 million.

The tax revision legislation to be considered by the House shortly contains some of the finest and fairest provisions of any tax bill ever presented to the Congress.

This monumental legislation will provide tax savings for individuals in the Nation amounting to \$778 million for 1 full year.

I repeat, that for the first full year of tax relief under this overall program, individual taxpayers alone will benefit by an estimated \$4,700,000,000.

In addition, the tax relief already provided in excess-profit brackets is benefiting American business concerns to the extent of \$2 billion.

An additional \$600 million in tax relief for American business is provided for in

the tax-revision legislation soon to be before the House.

From the figures it is obvious that, far from neglecting the individual taxpayer, we have provided relief from oppressive taxation to the extent of \$4,700,000,000, compared to \$2,600,000,000 in tax relief for business.

We have been able to do this because one overall objective of the administration and this Republican Congress is being reached slowly but surely, and that is a continued reduction in Federal spending. Specifically, there is another reason why we have been able to provide this large amount of tax relief.

We are maintaining the status quo on a number of excise taxes, which will continue to provide the Treasury with a total of \$1,700,000,000 annually.

Also, in addition, we are maintaining corporation tax rates at 52 percent, which will continue to bring into the Treasury a total of \$2 billion for a full year.

Without maintaining these two taxes at the levels we have, it would not be possible to provide the tax relief which the American people deserve.

The administration and the Congress have moved carefully but rapidly on the tax saving front and will continue to do so. The record so far is outstanding, as any taxpayer will agree, and it should not be marred by ill-considered appeals based on political expediency.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

ESTABLISHMENT OF UNITED STATES AIR FORCE ACADEMY

Mr. SHORT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SHORT, ARENDS, COLE of New York, SHAFER, VINSON, BROOKS of Louisiana, and KILDAY.

EXCISE TAX REDUCTION ACT OF 1954

Mr. REED of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8224) to reduce excise taxes, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the con-

sideration of the bill H. R. 8224, with Mr. H. CARL ANDERSEN in the chair.

The Clerk read the title of the bill. By unanimous consent, the first reading of the bill was dispensed with.

Mr. REED of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is a great pleasure for me to stand in front of the House today and speak on the matter of tax reduction. I believe firmly that the American people are entitled to tax reduction to the maximum extent we can go without endangering the fiscal affairs of the Government.

I might mention at the outset that it is rather interesting to note that Germany, our late enemy, has given tax relief up to 25 percent to individuals and a 15-percent reduction in taxes to corporations. Holland has given tax relief. Canada has given tax relief. Great Britain has given tax relief. France has given tax relief. Israel has given tax relief. Australia has given tax relief. We seem to be the one country that furnishes money to all the other nations, but that is very slow in giving tax relief to our people.

In considering this legislation we weighed the situation very carefully in the Committee on Ways and Means. I do want to pay my respects to that committee, to members of the majority and to members of the minority. We have worked diligently for many months on these tax problems.

Today we are here on the matter of excise taxes, to give such relief in the excise field as we feel proper under the fiscal conditions existing at the present time. But this legislation is not the end. We are going to review more tax relief as soon as it is feasible to do so.

Mr. Chairman, H. R. 8224 accomplishes two major objectives. First, it extends the present rates on those excises which are subject to automatic reduction on April 1. Second, it reduces to 10 percent the rates on all other excises which are presently above that level. These tax cuts are effective April 1.

The extension of present rates affects distilled spirits, beer, wine, cigarettes, gasoline, automobiles, parts and accessories, and diesel fuel for highway use. These extensions which were requested by the President will retain the present \$1,070,000,000 revenue from these sources.

The second portion of the bill reduces present excises by \$912 million a year. This is accomplished by reducing all ad valorem excises now above 10 percent down to 10 percent. The present excise system contains a wide variety of arbitrary and discriminatory rates ranging up to 25 percent on individual items. There has never been any rhyme or reason in these widely disproportionate rates. They create competitive problems. They interfere with free choice on the part of the consuming public.

The following are the tax reductions contained in the bill:

First. The tax on furs is cut in half, from 20 to 10 percent—a reduction of \$20 million;

Second. The tax on jewelry is cut in half, from 20 to 10 percent—a reduction of \$100 million;

Third. The tax on luggage, including ladies' handbags, is cut in half, from 20 to 10 percent—a reduction of \$40 million;

Fourth. The tax on toilet articles and cosmetics is cut in half, from 20 to 10 percent—a reduction of \$55 million;

Fifth. The tax on admissions, including movie admissions, is cut in half, from 20 to 10 percent—a reduction of \$175 million;

Sixth. The tax on sporting goods is cut from 15 to 10 percent—a reduction of \$3 million;

Seventh. The tax on mechanical pens, pencils, and lighters is cut from 15 to 10 percent—a reduction of \$4 million;

Eighth. The tax on electric light bulbs is cut in half, from 20 to 10 percent—a reduction of \$20 million;

Ninth. The tax on photographic equipment is cut in half, from 20 to 10 percent—a reduction of \$15 million;

Tenth. The tax on local telephone calls and telegrams is cut from 15 to 10 percent—a reduction of \$125 million;

Eleventh. The tax on long distance telephone calls is cut from 25 to 10 percent—a reduction of \$235 million;

Twelfth. The tax on transportation of persons, including railroad tickets, is cut from 15 to 10 percent—a reduction of \$95 million;

Thirteenth. Finally, present taxes on firearms, ammunition, safe deposit boxes, club dues, and initiation fees are all cut to 10 percent—a reduction of \$25 million.

These cuts will give substantial relief in a great many areas. We all recognize that there are many other excise problems which can present meritorious cases for relief. These other problems will have an opportunity for later consideration. The fact is that the imminence of the April 1 termination date has made it impossible to give as much consideration to these other problems as would normally be desirable.

Following enactment of this bill, excise collections will be \$912 million less than they are today. This amount will be a saving to the housewives, the consumers of the Nation. It will expand consumer purchasing power. It will stimulate business and employment. It promises the first general excise-tax reduction in over 20 years.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. CELLER. May I ask the gentleman what motivated the Committee on Ways and Means in its failure to reduce the liquor taxes from \$10.50. In New York City, for example, it is causing a great deal of moonshining and bootlegging to the detriment of our great city of New York in particular. That unhealthy situation is developing also in many parts of the country because the high taxes on liquor are giving a tremendous encouragement to illicit and illegal traffic in liquor.

Mr. REED of New York. In view of the conditions in New York City and the racketeering that is going on there, we feel it would not be good public policy to further inflame the people of New York.

Mr. CELLER. I think the situation is similar throughout the Nation, not only in New York. I happen to come from New York and I was just mentioning New York as an illustration.

Mr. REED of New York. I am from New York State, but I come from the other end of it.

Mr. CELLER. I come from the better end of it.

Mr. COOPER. Mr. Chairman, I yield myself 15 minutes.

Mr. COOPER. Mr. Chairman, it has been rather interesting to observe the change in the position of our good friends on the Republican side with respect to this bill. It had been the intention of those of us on the Democratic side to offer a motion to recommit this bill to include a termination date of April 1, 1955 for the excise taxes being made permanent in it. But since the Republican caucus yesterday "recommitted" the bill for us, we are relieved of that trouble and difficulty. So the committee met this morning, under the instructions of the Republican caucus of yesterday, after they recommitted the bill, and agreed to offer a committee amendment which fixes a termination date extending these excise taxes for one year. If our good Republican friends would just learn to follow the advice of the Democratic members of the committee when we are considering these matters in our committee, it would save them a great deal of embarrassment and difficulty and trouble. We offered that amendment in the committee, and by a straight party vote, it was voted down.

So the caucus had to recommit the bill for them in order to get it in shape so that they could bring it in here and prevent the adoption of our motion to recommit.

Mr. Chairman, I supported the provisions in the pending bill which reduces all excise taxes above 10 percent to 10 percent.

These include the present 20-percent retail excise tax on furs, jewelry, luggage, and toilet preparations; the 20-percent tax on electric-light bulbs and tubes, safe-deposit boxes, photographic equipment and film, admissions, and dues and initiation fees; the present 15-percent tax on sporting goods, mechanical pens and pencils and lighters, local telephone and telegraph, radio and cable services; the present 25-percent tax on long-distance telephone service, and the present 11-percent tax on pistols, revolvers, firearms, shells, and cartridges. These reductions amount to \$912 million of revenue in a full year's operation.

The bill also, in effect, increases excise taxes by \$1.077 billion. As the bill stands, this is done by removing the automatic termination date which the Democrats put in the law, under which the excise taxes increased to finance the Korean conflict would terminate on April 1. The items involved are liquors, cigarettes, gasoline, automobiles, motorcycles, trucks and buses, parts and accessories, and diesel fuel.

I was of the view that these increases should terminate as scheduled on April 1. These rates of tax are even higher than they were during World War II, and, since the Korean conflict has ended, I could not see any justification for con-

tinuing these high rates on a few selected items. Our good Republican friends take credit for ending the Korean conflict. It seems to me that they are a bit hard put to justify continuing these Korean increases. I might point out that they are also continuing the Korean increase in corporation taxes, but it was their intent from the beginning that this continuation should be for 1 year only.

After the unsuccessful attempt to let these excise taxes expire as scheduled, I then supported a temporary continuation for them of 1 year only. The effect of the bill in removing the April 1 termination date is to make these rates permanent.

Failing in our efforts to get a 1-year extension only, the Democrats then decided to offer a motion to recommit the bill to the committee with instructions to insert a termination date of April 1, 1955. In the face of this, the Republicans have capitulated and have agreed to committee amendment providing such termination date.

It is a misnomer to call this bill an excise-tax-reduction bill. It would be more appropriately called an excise-tax-increase bill, since the net effect will be an increase in excise-tax revenues of \$165 million.

I was very disturbed by the hasty manner in which this bill was considered in committee. The members of the committee did not have copies available to them until we met in executive session, and action on the bill was completed in 1 day. This is very hasty consideration on tax legislation involving \$2 billion in revenues.

The reductions contained in this bill are pretty much the same as those that were made in the revenue bill of 1950 as it passed the House. It will be recalled that those reductions were deleted in the Senate, due to the necessity of raising additional revenues to finance the Korean conflict.

The Democratic members of the committee attempted to get many of the other adjustments in excise taxes which were contained in the revenue bill of 1950 inserted in this bill. These included a repeal of the tax on handbags, billfolds, key cases, etc.; watches selling for less than \$65, and clocks and alarm clocks selling for less than \$5; leased wire service furnished to shut-in students; and bowling alleys, billiard and pool tables operated without charge by nonprofit organizations or governmental agencies; and a cut of tax on transportation of property in half.

We also moved to repeal excise taxes on the following: household water heaters; mechanical pens and pencils; admissions; admissions where the admission price is 50 cents or under; admissions to moving-picture theaters where the admission price is 50 cents or under; admissions to amusement parks and rides where the admission price does not exceed 15 cents; household ironers and driers; communications; local telephone calls; and college and school athletic games.

These may not be the only or necessarily the most deserving cases for adjustments or reductions at this time, but due to the fact that we had such short

notice, we were not prepared as well as we would like to have been in moving to make further excise tax adjustments, in addition to the reductions contained in the bill.

Although as I stated, I supported the reductions contained in this bill, I protested the manner in which the reductions were made by arbitrarily leveling all rates above 10 percent to 10 percent. The fact that an excise tax rate is below 10 percent or is levied on a dollar and cents basis does not mean that this, in and of itself, should remove such a case from consideration in deliberations looking toward excise tax relief. This was the situation in this case. Also, during the lengthy tax hearings held last summer, many administrative problems in the excise tax field were brought to the committee's attention. No consideration whatever was given to these problems.

I am very disappointed in that the Republican members of the committee refused to support the efforts of the Democrats to give further relief from the admissions tax.

It will be recalled that the House and the Senate passed, overwhelmingly, a bill last year to exempt moving-picture theaters from the admissions tax. Our committee received testimony at that time to the effect that the movie industry was a distressed industry, and we felt that relief was justified. The President vetoed that bill. The administration still agrees that the movie industry is distressed.

At the beginning of 1946, the total number of theaters and drive-ins in operation was 19,019. Since 1946 and until February of 1954, there have been 4,725 new drive-ins and theaters constructed, making a total of 23,744. Of these 23,744 theaters, 6,280 have closed since 1946, or 26.4 percent of all theaters built. This leaves 17,464 theaters operating now—including drive-ins—and of this total, 6,127 are operating in the red. Since last July alone, 1,117 additional theaters have closed.

The pending bill, by reducing admissions to 10 percent, I am told, will relieve very few of these theaters. In fact, 4,820 will still be operating in the red. Most of these 4,820 are smalltown theaters where the admissions charge is 50 cents or less. I moved in the committee to exempt from the admissions tax all admissions where the price is 50 cents or less. This would have included, of course, admissions to moving-picture theaters.

I felt that this exemption should be applied to all admissions so as to be non-discriminatory. The exemption would mean that the 4,820 theaters, in most cases, would be able to at least break even. Of this total of 4,820 theaters, 2,200 are in towns having just the 1 theater, and they are the only source of outside entertainment for local citizens.

I regret that the Republican members of the committee did not see fit to provide theaters this relief.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Texas.

Mr. LYLE. I expect to offer a motion to recommit this bill which will provide

that admissions of 50 cents or less shall carry no tax at all. I think it is entirely justifiable and that it would be in the interest of the economy of our people.

Mr. COOPER. I have such a motion prepared right here in my pocket, and would have offered it myself, but I cannot qualify by stating that I am opposed to the bill; so if the gentleman from Texas can qualify, I will be glad to support his motion.

Mr. LYLE. I am in a little more flexible position. I think I can qualify.

Mr. DINGELL. Mr. Chairman, the bill before us—H. R. 8224—is without question the greatest hoax ever perpetrated upon the American people. Heralded by the Republicans as a reduction in excise taxes, it, in fact, deliberately increases the excise-tax load by \$165 million, as I will show in 2 tables which I am submitting. This is due to the bill retaining the excise taxes which were increased by the revenue bill of 1951, at a time, mind you, when we entered upon the Korean war, and which were to terminate on April 1, 1954. The hodgepodge referred to as the Excise Tax Reduction Act of 1954 is an insult to the intelligence of the American people. They are deemed to be so ignorant as to not understand the difference between the Republican plan of a \$912 million reduction in excises, and the amount of \$1,077,000,000 automatically provided in the Democratic tax bill of 1951 and due to expire April 1, 1954. It is a vile and vicious attempt to further increase revenues from excises.

The Republican members of the committee, all 15 of them, voted against the 10 Democrats not to insert an expiration date and thus, for all practical purposes, made this increase permanent. This, of course, is nothing new for the Republicans. As the foremost antagonist of excise and sales taxes, I want to say for myself that I was instrumental in fixing the date of expiration of the excise-tax increases contained in the 1951 bill as I did in the tax bill relative to excise taxes in 1941. Twice this form of tax, according to my best effort, was to have served a temporary need and for a second time the Republicans in the face of their pledges to reduce taxes, doublecrossed the American people, and instead of permitting the law to take its course they did deliberately and with malicious intent violate their pledges and not only reenacted them, as under the Knutson bill in the 80th Congress, but in both instances tried to make permanent this most reprehensible of all forms of taxation. They were forced by their own Republican Members of the House to correct their stance and to put in a 1-year extension time limit on the so-called pre-Korean excises. They refused to do this in committee where they were properly counseled and advised, but were forced by their own Republican Members of the House generally to change this piece of rascality. The entire membership knew that the Democrats were going to move to recommit the bill, and we all agreed to stand on this point. They were then forced to about face, and, as the gentleman from Massachusetts, JOHN McCORMACK, said when they capitulated, "It is a great victory for the Democrats."

During consideration of this proposal known as the Reed bill, H. R. 8224, I attacked its provisions from the title and including every item to the very last word in the bill. I have never in my 21 years in Congress and committee work, and in my vast experience with tax bills, seen or heard such tactics as were used in forcing this bill and bringing it before the House with the object of making it a source of discrimination and a burden to the consumers of the Nation, as was witnessed in the final approval of this bill by the Republican majority.

For instance, we had an opportunity and could actually have removed the excise tax on entertainment, more particularly on movie admissions, when on motion of my distinguished friend, the gentleman from Tennessee [Mr. COOPER], the proposal was made that admissions taxes, including those on movies, be eliminated. The vote on the part of the Democrats was unanimous, 10 for the proposal, plus 3 Republicans, when 1 of the Republicans, recently known as a champion of the motion picture excise tax cut, reversed his position and defeated the Cooper motion. In other words, the vote of 13 to 12 for elimination was changed to 13 to 12 against it. Another proposal by the gentleman from Tennessee [Mr. COOPER] seeking compromise, was to permit a cut or the elimination of all excise taxes on motion-picture admissions where the admission charge was 50 cents or less. This proposal was lost on a tie vote of 12 to 12 when it could have been carried if the red-hot proponent who previously backed such legislation has been consistent. But instead of voting with us Democrats and 2 Republicans, he declined to vote at all. Thus another opportunity to relieve the motion-picture industry, and particularly the small neighborhood theaters, was lost.

During the course of the day I must have made a score or more motions to relieve the hotels and cabarets and others of an unjust and unfair excise tax. I explained with fervor the recession in business which has hit the hotel business and the better class dining rooms of the Nation because of this pernicious and withering form of tax. But to no avail. The Republicans with clocklike regularity and precision voted against the Democrats almost solidly, 15 to 10 to maintain an excise tax on this form of business.

The workingman, whose interests I have championed on every occasion, whether it was a matter of income tax, excise tax, or any form of legislation which bore directly upon his welfare, failed to get relief which I intended he should have. You know that under the Democratic provisions of the 1951 tax bill beer was to have been reduced \$1 a barrel, whisky \$1.50 a proof gallon, and wine to its pre-Korean rate, on April 1, 1954. All of these rates were confirmed at the highest rate ever attained and in violation of the 1951 proposal. Thus the man who at the end of a hard day's labor lifts his glass of that healthful, nutritious beverage known as beer will have to swallow less beer and more tax as the Republican plan provides.

Whisky, which is taxed at the rate of \$10.50 a proof gallon, pays as high as 20 times the cost of production, and has reached along with beer the point of diminishing returns. Whisky production has reverted to illicit bootleg production because it can be sold profitably at one-half of the tax charge the legitimate distiller is obliged to collect from the public. In other words, illicit distillers or bootleggers pay no tax on whisky and can well afford to sell it at \$5 a proof gallon, whereas the honest taxpaying manufacturer must pay \$10.50 a gallon in addition to the cost of production. On a lesser scale, the same thing applies to the producer of wines and champagnes. There never was any excuse and there can be none now why these legitimate producers of beverages should not receive a cut in the excise tax levied upon their products.

A tax cut on beer particularly is desirable, because beer is a beneficial food beverage. It is the workingman's champagne. The worker looks forward to it as a treat, as a health giver and builder which reinforces and refreshes him after a hard day's work and prepares him for a hearty evening meal. It is a food drink and a medicine. It is something that doctors recommend not only for healthy men and women but for invalids, for nursing mothers, and for people who are in need of a tonic and a health-building beverage. The excise tax on beer today, compared with preprohibition days, is, I should say offhand, at least six times as high, despite the fact that like whisky and wine it was restored to legitimacy by the 19th constitutional amendment.

Over the years the beverage industry has been the whipping boy of the narrow, the bigoted, and the cowardly, who, in and out of Congress, have invariably vented their spleen upon this class of legitimate, honorable, American taxpayers. I hope that the time is not far off when the payoff will come and the scores are evened. The brewing industry, like the distillers and producers of wines, have taken this abuse by way of unfair and discriminatory tax impositions until we are faced with the danger of their elimination and the taking over of this field of wholesome production by the illegitimate alley brewers, the moonshiners, bootleggers, and kitchen producers of wines, to the detriment not only of the consuming public but of the Treasury. The figures of today prove conclusively that the many thousands of stills that were confiscated in the last calendar year, or it may have been the year previous to that, had capacity of production greater than all of the legitimate taxpaying sources. I want to re-emphasize the importance of this statement by pointing up that I refer only to those stills which were discovered, confiscated, and destroyed; it does not cover the total amount of possible maximum production. There are doubtlessly as many or more that have not as yet been uncovered as there are those which were destroyed by revenue agents. The major cause of this sinful practice among the lawless moonshiners and bootleggers is due entirely to the inducement offered to this element by the handicap tax

which is being levied upon legitimate, honest producers.

As to the automobile excise taxes, I would like to point out that I was responsible for the tax being held at 7 percent when there was a move underfoot to make it as high as 25 percent. I held the line on this until there was a coalition party move in the Revenue Act of 1951 which forced an increase to 10 percent. It was claimed in the executive session on the present bill that the automobile industry was willing to go along for at least another year with the 10-percent tax rate. I was startled to hear this and moved that the rate drop back to 7 percent on April 1, 1954, as scheduled. My motion was squashed by a 15-to-10 vote along party lines. The claim is made that the industry which will still be saddled with this exorbitant rate will pass most of the tax on to the consumers. But there will soon be a day of awakening when the Republicans finally realize that the purchasing power of consumers is our big problem.

I made a strong plea for the elimination of all excise taxes on moderate-priced jewelry, and the exemption from the tax of watches valued at \$65 or under. But this proposal too failed.

In committee, my last word on the tax bill bore directly on the title, a planned fraud, and in pointing out the fact that instead of being a decrease it was an increase in the amount of excise taxes to be collected. I made the motion to change the title of the Reed bill by substituting the word "increase" for "reduction," which motion as a matter of record went down to defeat, but it was honest, it was proper to make such motion and if the bill were to be appropriately named that is how it would be presented to the House.

It was born in iniquity I warn you people of America. It would reduce nearly all wartime excises down to the 10 percent level in preparation for the Republican move of foisting upon the American people the uniform general sales tax, either on the retail level, or

at the source on what is known as the manufacturer's level.

The American people I do hope will take into account this action when it comes their time to speak their mind at the polls. That is the day of reckoning; that is the time of retribution.

Excise Tax Reduction Act of 1954

EXCISE TAX REDUCTIONS PROVIDED IN THE BILL

	Rates under present law	Rates under this bill	Reduction in excise tax collections (full year effect)
Retailers' excises:	Per cent	Per cent	Million dollars
Furs.....	20	10	20
Jewelry.....	20	10	100
Luggage.....	20	10	40
Toilet preparations.....	20	10	55
Total.....			215
Manufacturers' excises:			
Sporting goods.....	15	10	3
Mechanical pens, pencils, lighters.....	15	10	4
Electric light bulbs and tubes.....	20	10	20
Pistols and revolvers.....	11	10	(?)
Firearms, shells, and cartridges.....	11	10	1
Cameras, lenses, and film.....	20	10	15
Total.....			43
Miscellaneous excises:			
Telephone, telegraph, radio, cable.....	(?)	10	235
Local telephone.....	15	10	125
Transportation of persons.....	15	10	95
Leases of safe deposit boxes.....	20	10	5
Admissions:			
General.....	20	10	175
Cabarets.....	20	10	
Club dues, initiation fees.....	20	10	19
Total.....			654
Grand total.....			912

¹ Under present law this rate is scheduled for reduction to 10 percent on Apr. 1, 1954.

² Negligible.

³ Telephone or radio-telephone messages, toll charges over 24 cents, 25 percent; domestic telegraph, cable, and radio dispatches, 15 percent; international telegraph, cable and radio dispatches, 10 percent; leased wire service, teletypewriter, or talking circuit special service, 25 percent.

⁴ Under present law a penalty tax of 50 percent is imposed on sales by proprietors in excess of the established tax; this rate is not reduced.

Excise Tax Reduction Act of 1954

EXCISE TAX RATES INCREASED BY THE REVENUE ACT OF 1951 CONTINUED UNDER THE BILL

	Unit of tax	Present rate continued under bill	Rate prior to Revenue Act of 1951	Increased collections due to continuation (full year effect)
Liquor taxes:				Million
Distilled spirits.....	Per proof gallon.....	\$10.50.....	\$9.....	\$150
Fermented malt liquors.....	Per barrel.....	\$9.....	\$8.....	87
Wine:				
Still wine:				
Containing less than 14 percent alcohol.....	Per wine gallon.....	17 cents.....	15 cents.....	8
Containing 14 to 21 percent alcohol.....	do.....	67 cents.....	60 cents.....	
Containing 21 to 24 percent alcohol.....	do.....	\$2.25.....	\$2.....	
Containing more than 24 percent alcohol.....	do.....	\$10.50.....	\$9.....	
Sparkling wines, liqueurs, cordials, etc.:				
Champagne or sparkling wine.....	Per ½ pint.....	17 cents.....	15 cents.....	8
Liqueurs, cordials, etc. and artificially carbonated wines.....	do.....	12 cents.....	10 cents.....	
Tobacco taxes: Cigarettes.....	Per 1,000.....	\$4.....	\$3.50.....	191
Manufacturers' excises:				
Gasoline.....	Per gallon.....	2 cents.....	1½ cents.....	225
Passenger cars and motorcycles.....	Manufacturers' sales price.....	10 percent.....	7 percent.....	27
Trucks, buses, truck trailers.....	do.....	8 percent.....	5 percent.....	75
Parts and accessories.....	do.....	do.....	do.....	60
Miscellaneous excises: Diesel fuel used for highway vehicles.....	Per gallon.....	2 cents.....	(?)	5
Total.....				1,077

¹ No excise tax prior to Revenue Act of 1951.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, heretofore we, the members of the Committee on Ways and Means, have been embarrassed quite frequently with complaints that we usually ask for a closed rule. We are today operating under a closed rule, but I have heard no complaints about that fact today. I am glad for that for the membership are anxious for results and not for oratory. Of course, it is well recognized that when the Democrats were in power and when the Republicans are in power it is a very difficult matter to handle a tax bill on the floor if we throw it open for all kinds of amendments. But it seems today that is not going to make much difference because the subject matter is quite well understood.

I should like especially for the Republicans to know one thing about the presentation of this bill that has impressed me tremendously. And I think the Democrats will also agree with me. This is what I mean: This little report that the committee has put out—and thanks to those who prepared the report for us—comprises about the most convincing report that I have ever read. It does not scintillate with beautiful words and phrases, but it is really eloquent from the standpoint of figures. I think if I were you and if you would take any advice from me, I would gather up for myself a few of these little reports, because in this report you will find the whole story. You can tell in these two pages of figures exactly what has been done, and if you are a Republican, you can see with a great deal of pride that we have saved to the people \$912 million for this year and that much for the year to come. While this is a great accomplishment on the part of the Republicans on the Ways and Means Committee, still the Democrats can get a whole lot of comfort from these figures also. I say in all sincerity that I do not know of any bill that we have ever considered, especially in view of the importance of this bill, where the story is told so succinctly and so completely as it is told in this report of only a few pages.

Now let us talk just a minute about this first page. Every speaker so far has discussed the figures on this page. We have had a constant clamor in this country for a long time against high taxes, and we Republicans have been put to pressure several times as to what we are going to do about reducing these excessive taxes.

Well, what are you going to do about it? Here is a very succinct little chapter to show you what we have already done in this bill. We have accomplished a great reduction, and who gets it? Nobody can say that this saving of \$912 million is going to the rich people, to the big corporations, and to fellows that have the big incomes, and so forth. This remarkable saving goes to the great consumer class.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I could not refuse to yield to the genial gentleman from Rhode Island.

Mr. FORAND. Is not this the sugar bill so that the other one will not be quite so bitter when it comes along?

Mr. JENKINS. Oh, no. Somebody on the Republican side answers this for me. He says that the next bill—meaning the big tax-revision bill—is going to be a honey bill. It is going to be honey in the common parlance because I think every person in this body will favor it. Already it has been demonstrated that the Democrats are going to vote for this one, so I am pretty sure they will vote for the big bill when it comes along because they are pretty fair fellows, they recognize what is right, and I forgive them for the fix they were in; they could not do what they wanted to do most of the time. They had somebody else to tell them what to do.

Mr. FORAND. The gentleman just said that all of us are going to vote for this bill. I am tickled to death that most of us intend to vote for the bill after what you fellows did this morning. You had to eat crow, just remember; remember that.

Mr. JENKINS. Remember, if we did, that was our own crow.

Mr. FORAND. That is right because it was at the conference that you were told that you had better do that or else.

Mr. JENKINS. I thank the gentleman for his contribution and admonition and advice, but I do not promise to take it all.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I do not want to dis-appoint any of the Members, so to whom shall I yield first?

Mr. BOGGS. Mr. Chairman, the gentleman is so sharp today that I will not ask him a question.

Mr. JENKINS. I thank the gentleman for the compliment.

Now, let us get back to this serious situation.

Let us take the case of the jewelry people. Last year there were quite a number of jewelry people who came to my home city of Ironton, Ohio in an effort to present their views. Some came from New York, some from Philadelphia and I think perhaps some from away up in Rhode Island. They complained about this terrible jewelry tax. I feel that they had a good case. I am glad to help them as we are doing today. These Democrat members, who have today been so charitable in their own praise, never thought much of these jewelry people. But we are going to do something for them. We have reduced the tax from 20 percent to 10 percent, so that we are going to give them \$100 million. This will go all over the country to all these little jewelry fellows. I am not referring now to the ten-cent store people who sell jewelry, nor to the big department stores who sell jewelry but I am referring to the ordinary jeweler that we find in all the towns of the country. I am proud of the opportunity that I have had to help give them this \$100 million.

Let us take the case of luggage, toilet preparations, and so forth. I believe the gentleman from New York [Mr. REED], touched on those two items. Also there

is the item of sporting goods. We are going to do something there. It is not very much, only \$3 million, but it will be some encouragement. The sporting goods people have been hit hard, I know. We have a large factory producing that type of goods in my home town. They conduct a worth while business and employ a large number of men and women.

Here is another place where I am proud we had the chance to do something and that is with reference to telephones. I had more complaints, more tear-jerking complaints from people who live out in the country, especially poor people, who cannot afford long-distance telephone calls. All they can afford is to have a telephone. Are you going to deny these people the opportunity of having a telephone? It had gotten to the point where it was a question whether or not some of them could afford to have a telephone. A lot of them would have to give them up. One of the finest things that we did was to give these people who have telephones a reduction of their taxes so that they can keep their telephones. I think we did rather handsomely by them. We saved them \$225 million.

I could go on down and list the rest of these important items, but that is not necessary. I should like to take 2 or 3 minutes to discuss another matter which the gentleman from New York [Mr. REED] did not mention. It is this. At the close of this debate, we Republicans, because of the fact that the Democrats have voted with us, will offer an amendment. We could not offer it under the rule unless we got permission to do so. We are going to offer an amendment, and it is a good amendment. Why do I say it is a good amendment? We tried it out in the caucus; we tried it in the fire, we tried it everywhere. Most of the Members know that it is a good amendment and knew all the time that it was a good amendment. But we could not give everything to everybody.

Mr. REED of New York will offer that amendment. We are all for it. Then we shall have a fine bill.

I want to say that I appreciate the work that has been done on this bill. If you gentlemen will take this little report you will see that we are talking in millions. This is not small money; this is \$912 million. No one can throw up to the Republicans that they have not done anything, because here we are giving back to the people \$912 million in this one bill. That is only a starter. Next week we are going to have what we call the big bill, and we are going to do something fine in that big bill, too. We are not only a party of promise, we are a party of fulfillment. When we shall have passed the other tax bill the people of this country will know that the Republican Party has discharged a great obligation and will have redeemed its promises to do something for the people.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to ask the last speaker whether or not they have a caucus amendment they are going to bring in on the bill next week.

Mr. EBERHARTER. I was going to make some remarks about that. I would not be surprised if the Republican leadership change their strategy. They have changed their strategy so often since the question of tax revision came along that the Members do not know what they are going to propose next. So it would not be too surprising if they come in here with various amendments on the bill that is already reported out. So far it is a tax-increase bill in net effect.

All the Members heard the gentleman make the remark that we are going to have a long session this afternoon, somewhat in contradiction of what the chairman said. The gentleman from New York said he does not see much reason for extended debate, but then I had to recall to my mind what the leader of the majority said here when he was speaking on the rule. He spoke generally on the subject of what the majority party intends to do with respect to tax revision. Of course, he referred mostly to promises. As the gentleman from Ohio just said, his party is a party of promises. There is no question about that. I wonder whether or not the chairman of the Committee on Ways and Means could make a promise that they are going to suggest a committee amendment to strike out from the general revision bill the juicy melon with respect to tax credits and exclusions for dividends. I have heard that rumor for some time. It may be that the Republican members of the Committee on Ways and Means will finally give in to what the Democrats have been contending all along, that this is a great big juicy melon, and that in order to get the bill passed they will have to make a motion that that part be stricken from the bill.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Louisiana.

Mr. BOGGS. There was one point the gentleman from Ohio made that confused me somewhat. He stated that his group would never succumb to any type of pressure. Yet just about this time last week we had this bill before us and the Democrats offered two motions with respect to the termination date, on the April 1 expiration time. My motion would have permitted the decreases to take effect as scheduled, and the vote on that was 15 to 10. Then we had a motion by the gentleman from Arkansas [Mr. MILLS] on this cutoff date, providing an extension for a year only, and the vote on that was 15 to 10.

Mr. EBERHARTER. All 15 Republicans against it, of course.

Mr. BOGGS. Could the gentleman explain that to me?

Mr. EBERHARTER. I do think that perhaps some of the members of the Republican Party who attended that conference yesterday had heard from back home or else had been back home, and had begun to realize what was going

on. Of course I agree with our chairman, the gentleman from New York [Mr. REED], when he says there is not much need for debate on this bill this afternoon. There is a very valid reason for concluding that way, because the Republican conference yesterday and the members of the Committee on Ways and Means on the Republican side today completely surrendered to the position that the Democrats have taken all along. So I am sure the Democrats have nothing to fight very much about. We do not need any extended debate inasmuch as the surrender to the views of the Democratic minority occurred this morning as a result of directions from the Republican caucus yesterday afternoon.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. JENKINS. I do not want the gentleman to be laboring under any false impression. I do not want to say anything mean. What I would say is the truth, is that the Republicans did not pay any attention to what the Democrats said with reference to that matter.

Mr. EBERHARTER. The gentleman means that it was not brought up in conference yesterday that the Democrats had favored all these provisions which they decided to accept yesterday, but the gentleman well knows that that has been our position right along. You may not have surrendered because of what the Democrats thought about these propositions, which you now embrace so closely to your heart, but you will not deny the fact that that has been our position right along, that has been the position of the minority party Members, as I said before. Probably the pressure was sufficient from back home on this matter to make the Republicans change their position. I may say the same thing about the change insofar as the floor stocks refund for automobiles is concerned. A great deal of pressure came on that matter. So the committee, the Republican majority of the committee, gave in to what the Democrats had been contending for all along. They tried to write in this bill in a committee motion of recommittal, a proposal to award to the automobile industry, the dealers and so forth, a refund on their floor stocks at the end of 1 year.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. RABAUT. The automobile in this very debate here on the floor of the House today is being treated and spoken of as though it were a luxury. The people of the United States ought to be informed that it was under the Democratic Party that the taxes on the automobile were to be reduced the first of April. This bill does not reduce that tax. When they pay the tax, which is the largest tax that anyone pays under this kind of bill, the automobile tax because of the price of the automobile is the greatest single tax that anyone pays. There is also the interest on that tax to be paid normally in the purchase of an automobile. The automobile-driving public of the United

States ought to be informed fully on this matter.

Mr. EBERHARTER. The gentleman is stating the facts, there is no question about that. I want to emphasize to the membership in committee here his afternoon that this change of heart occurred as a result of pressure. Of course, the Democrats did not need any pressure from the beginning because they realized the fairness of the idea. That is what we have been contending for.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. FORAND. I support the statement just made by my colleague the gentleman from Pennsylvania. Referring to the statement made by the gentleman from Ohio, the Republicans did not yield to the Democrats, but they did yield to the public pressure. They did yield to the people back home who knew that the Democratic position was a sound one and stood behind it until finally the Republicans adopted it.

Mr. EBERHARTER. The gentleman is absolutely correct. I certainly thank the gentleman for bringing that to the attention of the Members.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. BAKER. Would the gentleman from Pennsylvania tell the Committee the total amount of losses in revenue to the Treasury of the United States, which would have resulted had all of the motions to cut revenues, which were offered by the Democratic members of the Committee on Ways and Means been adopted?

Mr. EBERHARTER. When the Democrats were in the majority because of the fiscal situation and the emergency and the wars we were engaged in, we gave much consideration to imposing these various excise taxes. We considered many factors. We considered the business involved.

Mr. BAKER. Will the gentleman please answer my question?

Mr. EBERHARTER. I am coming to that.

Mr. BAKER. Please.

Mr. EBERHARTER. I will be very glad to answer the gentleman's question. We considered several factors. We considered whether the industry was a depressed industry. We considered whether the items to be levied upon were luxury items and whether some luxuries were necessities. We considered the demand on the part of the public. We considered whether it was strategically necessary for the conduct of the war effort. We considered all of those things when we imposed those taxes. But here comes a proposition advanced by the leadership of the Republican Party who say, "We will do it the easy way. We will use a broadax and cut everything down." I say they did not give proper consideration to excise tax reductions. Of course, they are giving some relief, but insofar as what it would cost the Treasury if the motions offered by the Democrats had prevailed, I do not have any figures on that. As a matter of fact, the Republicans did not offer

an information on that subject and neither did the department heads.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. FORAND. I believe the gentleman is in a good position to give our Republican friends the same answer I got when I was asking how much loss would be involved and every time I asked the question, the answer I got was that it was negligible. We got that answer "negligible" so many times that if one were to add all the "negligibles" together you would have a pretty solid figure that would open your eyes. I believe that is a justifiable answer to the gentleman under the circumstances.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Tennessee.

Mr. BAKER. Is it not true that of the approximately 50 motions made by the Democrats on the Ways and Means Committee to cut out completely these excise taxes, it would have meant a loss of revenue of approximately \$9 billion?

Mr. EBERHARTER. The Democratic members of the Ways and Means Committee have not been supplied with those figures by any member of the staff of the Joint Committee on Internal Revenue Taxation or by any member of the staff of the Treasury. As a matter of fact our motions were voted down by the Republicans; no one had a chance to give us any information.

Mr. Chairman, if I may be permitted, I would like to speak generally on the strategy that has been adopted by the leadership of the Republican Party.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Louisiana.

Mr. BOGGS. I wonder if the gentleman from Tennessee [Mr. BAKER] would be good enough to inform the House, since he has brought up the question of the loss of revenue, what the position of the Treasury Department is on this bill before us.

Mr. BAKER. If the gentleman will yield, I am not in a position to state the position of the Treasury Department, but I would ask the gentleman if it is not true that \$9 billion loss of revenue would have resulted if the motions made by the Democrats on the Ways and Means Committee had prevailed.

Mr. BOGGS. That could not be true. Total collections from excise taxes must be what the gentleman has in mind.

Mr. EBERHARTER. I will say to the gentlemen, the point he makes is very well taken. I would like to say that the representatives of the Treasury Department were opposed to this bill.

Mr. BOGGS. I would like to direct an inquiry to the gentleman from Tennessee, if the gentleman will yield.

Mr. EBERHARTER. I yield.

Mr. BOGGS. The gentleman from Tennessee [Mr. BAKER] said he was unable to state the position of the Treasury

Department. I would like to ask the gentleman if he heard the position of the Treasury Department?

Mr. BAKER. Yes, I did.

Mr. BOGGS. Would the gentleman be good enough to recount what he heard?

Mr. BAKER. The position as stated was that a cut down to 10 percent was too deep at this time, as I understand it; that there were certain distress-business industries.

Mr. BOGGS. What were those industries?

Mr. BAKER. One was coal; one was movies, and another was fur.

Mr. BOGGS. I did not hear coal mentioned, but I thank the gentleman for replying to my question. Movies and fur; is that correct?

Mr. EBERHARTER. Of course, all of us have read in the newspapers about the strenuous opposition of the Treasury Department to these excise-tax cuts at this time. There is no question about that.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Arkansas.

Mr. MILLS. I would be very much interested in the gentleman from Tennessee [Mr. BAKER] advising the House the source of his information that the Democratic proposals in the committee would have resulted in an additional loss of \$9 billion to the Treasury had they been adopted by the committee. The total collections on all excises for 1954 is only estimated to be \$9,869,000,000.

Mr. EBERHARTER. So obviously the figures given by the gentleman from Tennessee [Mr. BAKER] are not correct.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I have not got to the main point I would like to discuss yet. I yield to the gentleman from Ohio.

Mr. VORYS. I am not a member of this great committee and probably have no right to pry into its inner workings, but do I understand the gentleman from Pennsylvania, and others, to say that they proposed in good faith amendments to reduce these taxes and that they themselves, did not know what it was going to amount to, and cannot tell the House now what the results would be of the amendments they were offering? If this is true it is the most amazing thing I have ever heard. Is that the fact?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. MILLS. I think my friend from Ohio misunderstood. The Democrats knew full well what was involved in the proposal offered in the committee further to reduce excises. The Democratic proposals were along the line of the bill which my friend and I both supported in 1950 to reduce excise taxes altogether. That bill would have lost approximately \$1 in excises. There was no more involved in the motions offered by the Democrats in committee the other day, when duplicating motions such as on admissions are considered, than was involved in the reduction bill of 1950.

Mr. VORYS. Then is the proper amount a billion dollars?

Mr. MILLS. As against the amount in this bill of \$912 million, perhaps.

Mr. VORYS. All I wanted to get straight was whether these amendments were offered by Members and voted for by members of this great committee and they did not know what they were voting on.

Mr. MILLS. I can assure the gentleman that nothing like that ever happens in the Ways and Means Committee, either on the part of Republicans or Democrats.

Mr. VORYS. That is the way it sounded.

Mr. MILLS. We always try to be fully advised of what we do in the committee, both Democrats and Republicans.

Mr. VORYS. That is the way the colloquy sounded.

Mr. REED of New York. I do not recall that there was a motion to strike out all excise taxes. That would be \$9 billion alone.

Mr. MILLS. If the gentleman will yield further, you will not find any such thing in the RECORD.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield briefly?

Mr. EBERHARTER. Not at the moment.

I do not have any memory of any Member making such a silly motion as to strike out all excise taxes. That is foolishness. There is nobody with any sense at all who would offer a motion like that which would cost almost \$10 billion at a time like this.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I will yield to the gentleman but I remind the gentleman and others that I have yielded a lot of my time. I yield to the gentleman.

Mr. BOGGS. If the members of the committee will refer to the minority views in the report at the bottom of the first page they will find a recapitulation of the amendments that were offered:

Among the additional adjustments which we attempted to make in the current bill and which were defeated by the majority were the following, many of which were also included in the revenue bill of 1950: to repeal the tax on handbags, billfolds, key cases, etc.; watches selling for less than \$65, and clocks and alarm clocks selling for less than \$5; household water heaters; mechanical pens and pencils; admissions; admissions where the admission price is 50 cents or under; admissions to moving-picture theaters where the admission price is 50 cents or under; admissions to amusement parks and rides where the admission price does not exceed 15 cents—

Would that cost a billion dollars?—

household ironers and driers; communications; leased-wire service furnished to shut-in students—

Would that cost another billion?—

local telephone calls; college and school athletic games—

That was a very interesting amendment. That was adopted in the morning session by a vote of 13 to 12. In the afternoon one member came back and said he did not understand what was meant and asked that the vote be reconsidered, so it was and turned out 13 to 12 the other way—

bowling alleys, billiard, and pool tables operated without charge by nonprofit organiza-

tions or governmental agencies. We also proposed to cut the tax on transportation of property in half.

Mr. VORYS. You have not given the total yet.

Mr. BOGGS. No; I have not.

Mr. EBERHARTER. I am very glad the gentleman from Louisiana recited that for the benefit of the Members who are here present. I wonder whether or not the Members of the majority party will come out and say flatly to the people who buy these various items that have been enumerated that they are opposed to any reduction in the excise tax on those items?

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. I never was able to understand the gentleman's mathematics; however, let me say that you on that side offered one motion to let the terminations take effect. That would amount to one billion one. Then you offered other excise-tax motions that have been enumerated here, which would amount to about a billion two, in addition to the bill we have before us. The minority report does not list all of the motions that were made by that side. There is no way by which you can adopt 50 motions destroying excise taxes and have anything left. So the fact remains that your proposals would have resulted in a reduction of \$9 billion.

Mr. EBERHARTER. Mr. Chairman, all of us know that the thing that was very dear to the heart of the chairman of the Committee on Ways and Means was the so-called general technical tax bill. When the committee first took that up there was an agreement among all the members of the committee that the question of rates would not be considered, whether up or down, or the question of exemptions or whatever might result in a rate change would not be considered. Excise taxes were not to be considered. Nothing of that nature would be considered.

Then we get hold of the technical bill and by the way we were handed the bill by sections, 10 or 20 printed pages at a time, sometimes maybe 75 pages. We find in that bill many provisions that were nothing more or less than handouts. One of the first provisions we came to was the matter of exempting dividends plus giving them a special tax credit. That is a handsome handout. In that connection I may say the majority is using the figure so far as loss is concerned of \$240 million, but let me say that when the provision becomes fully in effect it will result in a loss of \$850 million. The leader on the majority side did not mention that. He mentioned the \$240 million, but it will cost \$850 million, or putting it another way, it will benefit those who own stocks to that extent.

On depreciation the figure is \$375 million. The benefit to big business, and to small business I may say, when it is fully operative is \$2,200,000,000. They are trying to claim that they are giving relief to individuals but they are not doing it.

I have challenged the proposition here on the floor of the House many times as to what the average taxpayer will get.

There are some fringe benefits, for instance to those who are retired, somebody who is a foster father, somebody who can send his child to college; however, there is no general tax relief in this bill.

The public began to find out what was in this so-called technical revision and the heat was beginning to mount. So they changed their strategy. They gave up the idea of bringing in a general technical revision bill. They thought they could fool the public more if they brought in here an excise tax bill that would sound sweet to the public. They took the position they could then say to the public and to the Secretary of the Treasury: "We cannot afford to lose any more money in this general tax revision bill. We do not want an increase in exemptions, we cannot afford it; we have already given in excise tax relief about a billion dollars." They do not tell us what is on the other side of the coin—what is there is an increase in excise taxes also amounting to \$1,077,000,000. That is where they changed their strategy. Of course, I did mention the change of strategy yesterday when the conference instructed them to surrender to the views of the minority. That is the real reason. I want to call attention especially to the Members on my left over here that they are going exactly contrary to the views of the Secretary of the Treasury with respect to this excise tax bill. I do not know how come, but the Secretary of the Treasury does not want to increase exemptions at the present time. What are you going to do about it? Are you going to go contrary to the views of the Secretary of the Treasury? Mr. Chairman, if the Secretary of the Treasury is so anxious to have somewhere near a balanced budget, why does he not give up the idea of giving \$850 million in tax credits to the people that own stock? Why does he not give some of that \$850 million to the average taxpayer by giving in to the proposition of raising exemptions?

Mr. Chairman, there are 47 million families in the United States, and 335,000 of those 47 million families would get 80 percent of this \$850 million in stockholders' tax benefits. Mr. Chairman, I hope that there will be a change of heart on the part of the Secretary of the Treasury and of the Republican leadership in this Congress.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, I wish to congratulate the members of the Committee on Ways and Means of the House of Representatives, and especially its chairman, the gentleman from New York, Mr. DANIEL A. REED, for voting out H. R. 8224, that, when enacted into law, will bring about a reduction in some of the present excise taxes.

These taxes were originally intended to curtail the purchase of luxury items during the war. However, in its zeal to squeeze every penny it could from the people, the New Deal administration passed laws that imposed taxes on many items that were actual necessities, rather than luxuries.

Certainly such items as ladies' handbags, lipstick and other cosmetics and toilet articles cannot, by any stretch of the imagination, be considered luxuries today. They are as necessary to women as their shoes, hats, and other wearing apparel.

The taxes on these, as well as many other items, including briefcases, luggage, ladies' fur-trimmed coats, telegrams, telephone calls, electric light bulbs, and transportation—to name just a few—should have been eliminated years ago.

Mr. Chairman, I sincerely regret that the committee did not report a bill entirely eliminating the taxes on the items I have named. Unfortunately, this bill, like all tax measures, comes before the House under a closed rule, which prevents anyone who is not a member of the committee from offering an amendment. If this were not the case, I most certainly would offer an amendment to remove all excise taxes from these articles. For years, I have fought for the outright abolition of these taxes, which I call antifeminine. Nevertheless, I do desire to congratulate the committee again on making a start, at least, in the right direction.

Women comprise the most powerful economic group in the United States. It has been estimated that they control, directly or indirectly, eighty percent of the country's purchasing power. They are indeed a much greater economic force than most men—who like to think they are the head of the house—realize or will admit. There is one thing I do know for a certainty: If the women were only organized on a basis similar to labor, manufacturers, and numerous other groups in the United States, excise taxes on these articles would have been repealed long ago.

Countries all over the world, to whom we have been sending billions of dollars in foreign aid, have had tax reductions. The American people should have had reductions in taxes years ago.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, many of my best friends in this House sit on this side, the Democratic side, of the aisle and because of that I rather enjoy speaking when I am looking right at some of my best friends.

Mr. Chairman, a great American, a great Democrat, a great man—and we have great Americans and great men on both sides of the aisle, in both parties—once said, "Let's look at the record." I want to look at the record. I have been a Member of this House for 18 years, and during that time I have seen many things happen, and I want to look at the record. During that 18 years our national debt has risen from \$20 billion, approximately, to \$273 billion, approximately.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MASON. I decline to yield until I am through looking at the record.

Now, that was accomplished under the leadership of the then majority party, now the minority party, with the aid of the, shall I say, liberals—that is a nice

term—on both sides of the aisle. During that 18 years the tax load upon the American people rose from approximately \$5 billion to \$68 billion. That also happened under the leadership of the majority party then, now the minority party, with the aid of the so-called liberals on both sides of the aisle, who were pretty liberal with other people's money.

During those 18 years, individual exemptions under the income-tax law, were reduced from \$2,500 for a married couple and \$1,000 for an individual, to \$1,000 for a married couple and \$500 for an individual. That also was accomplished under the leadership of the then majority party, now the minority, with the aid of the liberals on both sides of the aisle.

During the last 10 years, we have had a giveaway program under which they gave away \$100 billion, more or less, of the American taxpayers' money. That also was under the leadership of the then majority party, aided and abetted by the liberals on each side of the aisle, who were liberal with other people's money.

Then during the last year or so, under the leadership of the then majority party, now the minority party, again aided and abetted by the liberals on both sides of the aisle, they entered into contractual obligations amounting to over \$100 billion with promises to pay attached to them, which the present majority party inherited, and were forced to honor.

During those 18 years, our two former Presidents, Presidents of the then majority party, entered into executive agreements, at Teheran, at Cairo, at Yalta, and at Potsdam. That is one reason we ought to have the Bricker amendment. Under those executive agreements Stalin, who was dictator over 300 million people at the end of World War I, became dictator over 900 million people. As a result of those agreements we have spent over \$200 billion in this cold war that was brought about because of those executive agreements. We now have boys scattered all over the earth in 49 different countries. And we have Uncle Sam today assuming the burden of the whole world, like Atlas of old. That was done under the then majority party, now the minority party, with the aid and assistance of the so-called liberals on each side of the aisle. That is the record.

I also want to clear up the record in this respect. If the majority of this House, regardless of the aisle, during those 18 years had voted as I have done on this give-away program, we would not be \$273 billion in debt, more in debt than all the other countries in the world put together. Uncle Sam owes more than twice as much as all the countries of Europe put together. I am very sorry to say, under our present administration we are not doing much to correct this give-away program. We are not doing very much to cut down on these useless expenditures. We are trying to do a little bit, not as much as I would like to do, in the tax reduction program. I was one who wanted tax reduction last year for individuals, H. R. 1. I feel satisfied that if that bill had passed last year we would not have the present little depression, or little recession, or temporary

recession, or whatever you want to call it. I have voted against these things in the past under the past leadership, and I shall continue to vote against these things now under the present leadership, because I have to sleep with myself the rest of my days.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I did not intend to say anything in general debate, and of course I will not be able to say anything in the reading of the bill because there will be no debate under a 5-minute rule. But the gentleman from Illinois [Mr. MASON] always challenges me. I knew when he was looking over on our side and talking about some of the best friends he had in Congress over here that he would pick me as at least one; and we are friends.

I want to look at the record just a moment and say that I have heard from some gentlemen who just came out of the White House last week that it was indicated it did not make much difference what the House did on tax bills, they expected the Senate to disregard the action of the House and write the bill in the Senate as the Secretary of the Treasury and the President would like it to be written.

I have seen a great many conversions going on around here during my short years in this Chamber, but I think yesterday was one of the most remarkable and most dexterous changes in position I have known to exist in quite a while. I would hazard the guess that before the big bill comes up the Republicans will have another conference, and in all probability take away a great deal of our proposed motion to recommit on that bill. I just make that as a general suggestion and maybe as a reminder.

Now with reference to this matter of a national debt of \$273 billion. Do you know why we owe that much money? I stood on the floor of the House of Representatives in 1938, 1939, and 1940 and pleaded with the isolationist Members of Congress, telling them that the world was in danger, that civilization itself stood at the crossroads, that forces were loose in the world that were going to destroy the school, the church, the state—yea, the civilization that we had built up and which we love so well. I pleaded to appropriate a few million dollars to make ourselves strong so that no international desperado would attack us. Why they said, "Nobody is going to attack us. We can wrap two oceans around us and be safe from attack from other parts of the world and so preserve ourselves." The advice of the President and the then Secretary of War, who was a Republican as you recall—and incidentally I have not heard of any Democrats being appointed to any high positions in this administration, and yet they say they want nonpartisanship—yes, they do when it suits them and when it does not suit them, then they do not want nonpartisanship—as I was saying the advice of the President and the then Secretary of War was ignored by the isolationists. We were attacked and in order to save our own civilization, and the civilization of the world, we spent

\$400 billion. Can you measure the freedom that we have today by a few billions of dollars—a few billion dollars spent by the richest, most powerful country upon the face of the earth today, or that ever did exist at any time in known history? Why, not even the Caesars when they thought they bestrode the world like Colossi were as strong in the day in which they lived as your beloved country and mine is today. We had to spend that money because we were shortsighted. We not only had to spend \$400 billion fighting a war, but we had to surrender the life, the limb, and the blood of thousands upon thousands of American manhood and womanhood. My dear friend from Illinois, that is why we owe \$273 billion today. We owe it yes, but we still have our way of life and we intend to maintain that way of life. Mr. Chairman, I was interested also in the gentleman's assertion about Yalta and Potsdam. Why during the campaign of 1952, they just ate Yalta and Potsdam up blood raw every morning before breakfast as well as the Truman-Acheson policy. When this administration came into power, somebody down in the State Department read the agreements which had been made at Yalta and Potsdam and understood those agreements evidently because we have not heard anything about revising or repealing or doing anything about those agreements that were made at Yalta and Potsdam. The only thing this administration has done with reference to the Truman-Acheson foreign policy is to follow that policy, but to administer it in a sorry fashion.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, we all listened with interest to the speech of the distinguished minority leader. But now let us get back to the tax bill.

It is a pleasure to be able to stand here and advocate a bill to reduce certain excise taxes. If I remember correctly, the only other time I was able to advocate reduced taxes was in the Republican 80th Congress. This, the 83d, being also a Republican Congress, I feel sure the people of this country will realize it is more than a coincidence that tax reductions follow the election of Republicans.

We are able to stand here and vote for a cut in some excise taxes now because the Eisenhower administration recommended economies last year. These economies were passed by a Republican Congress in spite of Democrat opposition.

The excise-tax bill before us today is such a simple one that there is no necessity for a long dissertation on its details. I would like to discuss, however, how, in my mind, it fits in with the entire economic picture.

To do this I will also have to talk a little about the revision bill which is expected to come before the House late next week, and about which certain Democrats have been doing much talking in recent weeks.

These Democrats complain about certain benefits which are included in the bill for the purpose of stimulating increased production, although increased

production will provide more jobs in the future. Their claim is that the Eisenhower tax program is designed chiefly to aid business. They ignore the reality of the jobs this program will help provide in the future. Instead they talk glibly about the trickle-down theory.

These Democrats neglect to state that with this bill the tax reduction proposed for the year 1954 amounts to more than \$7 billion and of that amount only about one-sixth will come from the revision bill, and of that one-sixth only about one-half of the benefits go to business.

The fact that these aids to business, amounting to about one-half of the one-sixth of the entire \$7 billion will, to a large extent, result in more jobs in the future and thus greater consuming power will, I am sure, be discussed fully in the debate on the revision bill next week.

The tax revision bill is a minor item as far as tax cutting is concerned. But it is a very major item in removing inequities, plugging some loopholes and providing a climate in which free enterprise can function in order to increase the living standards of all the American people.

We must all acknowledge that we are today in a moderate business recession. It seems to be the attitude of most Democrats that we should throw all thoughts of tax revision out of the window, forget about the future and only change our tax laws so as to throw the greatest possible amount of spending power immediately into the hands of the people.

Let us look at the whole picture, however.

In our entire program for 1954 the amount going directly into the consumers' pockets will equal almost twice the amount that can be said to aid business directly.

The exact figures are: \$4,678,000,000 to consumers immediately; approximately \$2,581,000,000 earmarked for business aid of which \$2 billion is the result of termination of the excess-profits tax which I know a substantial majority of the House are glad to see ended.

To itemize these figures, besides the excess-profits tax the other so-called aids to business will amount to \$581 million.

The reductions which immediately place spending money in the consumers' pockets are the \$3 billion cut in personal-income taxes, the \$900 million in this bill and \$778 million in the tax revision bill.

This ratio, under present economic conditions, seems to me to be realistic.

I do not think it would be betraying confidence to call attention to the fact that the Democrats on the Ways and Means Committee took advantage of their minority position by moving for additional reductions in excise taxes which would have increased the deficit by more than \$2,100,000,000. Thus they will be able to tell their constituents that they proposed reduction in taxes which those in their districts do not like.

The Democrats could afford to do this because, being in the minority, they are not responsible for the Nation's economic solvency.

Many of us would like to have further tax cuts for certain other businesses.

Nearly every industry subject to an excise tax can show a good case why that tax hurts its business.

But, with the April 1 target date, it would be impossible to devote sufficient time to study a selective excise tax cut and pass it through both the House and Senate in time. Thus, the committee turned down the Democrats political motions. It takes backbone to be in the majority.

Enactment of this bill into law will add nearly a billion dollars a year to

the spending ability of our people, starting April 1. This added purchasing power in the hands of the consumer should aid in reversing the business trend.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, there have been a number of statements from Members on the other side of the aisle that they favored the principle of excise-tax reduction; in fact, they attempt to foster the notion that

excise-tax reduction is their idea; and for that reason I want just briefly to go over the record.

Since they took over in 1933 the Democratic administrations have imposed or increased excises on 94 different classes of items. This figure does not take into account the increases in regulatory excises, such as marihuana, machineguns, and so forth. I am inserting into the RECORD a table showing the various excise taxes we have with the rates as of the years 1932, 1939, 1945, and 1952:

TABLE V.—Excise tax rates in effect as of certain specified dates

Commodity, etc., taxed	Unit of tax	Rates in effect as of—			
		Dec. 31, 1932	Dec. 31, 1939	Dec. 31, 1945	Dec. 31, 1952
Liquor taxes:					
Distilled spirits:					
Domestic and imported	Per proof or wine gallon if below proof.	\$1.10.	\$2.25.	\$9.	\$10.50.
Brandy	Per wine gallon.	\$1.10.	\$2.00.	\$9.	\$10.50.
Imported perfumes containing distilled spirits.		\$1.10.	\$2.25.	\$9.	\$10.50.
Wines:					
Still wines according to alcohol content by volume:					
Not over 14 percent	do.	4 cents.	5 cents.	15 cents.	17 cents.
Over 14 percent to 21 percent	do.	10 cents.	10 cents.	60 cents.	67 cents.
Over 21 percent to 24 percent	do.	25 cents.	20 cents.	\$2.	\$2.25.
Over 24 percent	Per proof or wine gallon.	\$1.10.	\$2.25.	\$9.	\$10.50.
Sparkling wines, liqueurs, and cordials:					
Champagne or sparkling wines	Per half pint.	12 cents.	2½ cents.	15 cents.	17 cents.
Artificially carbonated wines	do.	6 cents.	1¼ cents per pint.	10 cents.	12 cents.
Liqueurs, cordials, etc.	do.	do.	1¼ cents.	do.	Do.
Fermented malt liquors	Per barrel	\$6.	\$5.	\$8.	\$9.
Stamp taxes on distilled spirits:					
Container stamps					
Case stamps, distilled spirits bottled in bond.	Per container.		Less than ¾ pint ¾ cent; ¾ pint or more 1 cent.	Less than ¾ pint ¾ cent; ¾ pint or more 1 cent.	Less than ¾ pint ¾ cent; ¾ pint or more 1 cent.
Special occupational taxes:					
Wholesale dealers, distilled spirits and wines	Per year.	\$100.	\$100.	\$110.	\$200.
Retail dealers, distilled spirits and wines	do.	\$25.	\$25.	\$27.50.	\$50.
Rectifiers:					
Less than 500 barrels a year	do.	\$100.	\$109.	\$110.	\$110.
More than 500 barrels a year	do.	\$200.	\$200.	\$220.	\$220.
Manufacturers of stills or worms	do.	\$50.	\$50.	\$55.	\$55.
Still or worms	Per still or worm.	\$20.	\$20.	\$22.	\$22.
Nonbeverage manufacturers, per annual withdrawals:					
Not more than 25 proof gallons.	Per year.			\$25.	\$25.
Not more than 50 proof gallons.	do.			\$50.	\$50.
More than 50 proof gallons.	do.			\$100.	\$100.
Brewers:					
Production less than 500 barrels a year.	Per brewery.	\$50.	\$50.	\$55.	\$55.
Production more than 500 barrels a year.	do.	\$100.	\$100.	\$110.	\$110.
Wholesale dealers, fermented malt liquors.	Per year.	\$50.	\$50.	\$55.	\$100.
Retail dealers, fermented malt liquors.	do.	\$20.	\$20.	\$22.	\$22.
Temporary dealers, fermented malt liquors and wine.	Per month.	\$2.	\$2.	\$2.20.	\$2.20.
Tobacco taxes:					
Cigarettes:					
Small, weighing not more than 3 pounds per 1,000.	Per 1,000.	\$3.	\$3.	\$3.50.	\$4.
Large, weighing more than 3 pounds per 1,000.	do.	\$7.20.	\$7.20.	\$8.40.	\$8.40.
Cigars:					
Large, weighing more than 3 pounds per 1,000 if intended to retail at—					
Not over 2½ cents	do.	\$2.	\$2.	\$2.50.	\$2.50.
Over 2½ cents to 4 cents	do.	\$2.	\$2.	\$3.	\$3.
Over 4 cents to 5 cents	do.	\$2.	\$2.	\$4.	\$4.
Over 5 cents to 6 cents	do.	\$3.	\$3.	\$4.	\$4.
Over 6 cents to 8 cents	do.	\$3.	\$3.	\$7.	\$7.
Over 8 cents to 15 cents	do.	\$5.	\$5.	\$10.	\$10.
Over 15 cents to 20 cents	do.	\$10.50.	\$10.50.	\$15.	\$15.
Over 20 cents	do.	\$13.50.	\$13.50.	\$20.	\$20.
Stamp taxes, documentary, etc.:					
Bond issues.	Each \$100 of face value or fraction.	10 cents.	10 cents.	11 cents.	11 cents.
Bond transfers.	do.	4 cents.	4 cents.	5 cents.	5 cents.
Stock issues:					
Par or face value.	Each \$100 par or face value.	10 cents.	10 cents.	11 cents.	11 cents.
No par or face value—actual value \$100 or more per share.	do.	do.	do.	do.	Do.
No par or face value—actual value less than \$100 per share.	Each \$20 or fraction.	2 cents.	2 cents.	3 cents.	3 cents.
Stock transfers:					
Par or face value.	Each \$100 par or face value.	4 cents.	4 cents.	5 cents.	5 cents.
Without par or face value.	Per share.	do.	do.	do.	Do.
With or without par or face value if selling price is \$20 or more.	do.	5 cents.	5 cents.	6 cents.	6 cents.
Deeds, conveyances, etc.:					
Value over \$100 and not over \$500.	Amount over \$100 and not over \$500.	50 cents.	50 cents.	55 cents.	55 cents.
Value over \$500.	Each additional \$500 or fraction.	do.	do.	do.	Do.
Foreign insurance policies other than life, etc.	Per dollar or fraction of premium.	3 cents.	3 cents.	4 cents.	4 cents.

TABLE V.—Excise tax rates in effect as of certain specified dates—Continued

Commodity, etc., taxed	Unit of tax	Rates in effect as of—			
		Dec. 31, 1932	Dec. 31, 1939	Dec. 31, 1945	Dec. 31, 1952
Stamp taxes, documentary etc.—Continued					
Life, sickness, accident, and annuity contracts	Per dollar or fraction of premiums			1 cent	1 cent
Reinsurance policies	do.			do.	Do.
Playing cards	Per package of not more than 54	10 cents	10 cents	13 cents	13 cents
Manufacturers' excise taxes:					
Automobiles, etc.:					
Automobiles, passenger, auto trailers, and motorcycles	Manufacturers' sale	3 percent	3 percent	7 percent	10 percent
Automobile trucks, trailers, buses, and road tractors	do.	2 percent	2 percent	5 percent	8 percent
Parts and accessories	do.	do.	do.	do.	Do.
Tires	Per pound	2½ cents	2½ cents	5 cents	5 cents
Tubes	do.	4 cents	4 cents	9 cents	9 cents
Business and store machines	Manufacturers' sale price			10 percent	10 percent
Cigarette, cigar, and pipe mechanical lighters	do.				15 percent
Electrical energy	do.	3 percent	3 percent	3½ percent	
Electric, gas, and oil appliances	do.			10 percent	10 percent
Electric light bulbs and tubes	do.			20 percent	20 percent
Firearms, shells, pistols, and revolvers	do.	10 percent	10 percent	11 percent	11 percent
Fountain pens, mechanical pencils, ball-point pens	do.				15 percent
Gasoline	Per gallon	1 cent	1 cent	1½ cents	2 cents
Lubricating oil	do.	4 cents	4 cents	6 cents	6 cents
Musical instruments	Manufacturers' sale price			10 percent	10 percent
Phonograph records	do.	5 percent		do.	Do.
Phonographs	do.			do.	Do.
Phonographic apparatus and equipment:					
Cameras and lenses	do.	10 percent		25 percent	20 percent
Photographic plates, sensitized paper	do.			15 percent	
Photographic apparatus and equipment	do.			25 percent	
Unexposed film	do.			15 percent	Do.
Quick-freeze units	do.				10 percent
Radio receiving sets, components, etc.	do.	5 percent	5 percent	10 percent	Do.
Refrigerators, household types	do.	do.	do.	do.	Do.
Refrigerating apparatus, air conditioners	do.			do.	Do.
Sporting goods and equipment	do.	10 percent		do.	15 percent
Television sets, components, etc.	do.				10 percent
Toothpaste, toilet soaps	do.	5 percent			
Retailers' excise taxes:					
Furs and fur articles	Retailers' sale price			20 percent	20 percent
Jewelry	do.			do.	Do.
Luggage, purses, wallets, etc.	do.			do.	Do.
Toilet preparations	do.			do.	Do.
Miscellaneous excise taxes:					
Admissions:					
Generally	Amount charged	1 cent for each 10 cents or fraction if 41 cents or more	1 cent for each 10 cents or fraction if 41 cents or more	1 cent for each 5 cents or major fraction	1 cent for each 5 cents or major fraction
Leases of boxes or seats	Amount charged for similar accommodations	10 percent	10 percent	20 percent	20 percent
Ticket broker sales in excess of regular price	Excess charge	do.	do.	do.	Do.
Cabarets, roof gardens, etc.	Taxable amount	1½ cents for each 10 cents or fraction	1½ cents for each 10 cents or fraction	do.	Do.
Bowling alleys, billiard and pool tables	Each unit per year			\$20	\$20
Club dues, initiation fees	Amount paid	10 percent	10 percent	20 percent	20 percent
Coconut and other vegetable oils processed, first domestic processing	Per pound		3 cents	3 cents	3 cents
Coin-operated devices:					
Amusement or music machines	Each unit per year			\$10	\$10
Gaming devices	do.			\$100	\$250
Diesel fuel used for highway vehicles	Per gallon				2 cents
Leases of safe deposit boxes	Amount collected	10 percent	10 percent	20 percent	20 percent
Oleomargarine, adulterated butter, filled cheese					
Firearms (National Firearms Act):					
Certain short 2-barrel guns:					
Sale or transfer	Per firearm		\$1	\$1	\$1
Importers or manufacturers	Per year		\$25	\$25	\$25
Dealers	do.		\$1	\$1	\$1
Oils:					
Sunflower, rapeseed, sesame, kapok, hempseed, and perilla oils, etc. (except rapeseed oil imported for use in manufacture of rubber substitutes or lubricating oil)	Per pound		4½ cents	4½ cents	4½ cents
Whale oil (except sperm oil), fish oil (except cod oil, cod-liver oil, and halibut-liver oil), marine animal oil, or any combination of the foregoing, etc.	do.		3 cents	3 cents	3 cents
Perilla seed	do.		1.38 cents	1.38 cents	1.38 cents
Rapeseed, kapok seed	do.		2 cents	2 cents	2 cents
Sesame seed	do.		1.18 cents	1.18 cents	1.18 cents

They have decreased or removed excises from only the following items which were in effect during the last preceding Republican administration: Yachts, pleasure boats, sailing boats, and motorboats; oleomargarine; chewing gum; candy; sales of produce for future delivery; checks, drafts, and so forth.

The above list does not include excises that were removed only to make way for

higher excises on approximately the same products. For example, a small excise tax was removed from brewers' malt but a relatively large increase was imposed on beer.

In 1932 the revenue yield from excise taxes was \$453,550,000. The national income in that year was \$41.7 billion. You will note the excise taxes were about 1 plus percent of our national income.

In the boom year of 1929 the revenue yield from excise taxes was approximately \$545 million. The national income in that year was \$87.4 billion; excise taxes, therefore, were six-tenths of 1 percent of the national income.

In 1952 the revenue yield from excises was \$9.8 billion. The national income in that year was \$287.5 billion. In other words, the excise taxes were 3 plus percent of our national income.

That, I submit, is an indication of what has happened under the Democratic administration so far as excise taxes are concerned. When we get to talking about reducing taxes, there are only two ways that you can reduce taxes and yet preserve fiscal solvency.

The first and most important one, of course, is to reduce expenditures. I submit if the Democratic Party wants to pose as being interested in tax reductions there is one way they can help and that is when these appropriation bills come on the floor they support amendments to make certain cuts in order to try to get the budget back into balance. It is only through cutting expenditures that we can really get into the meat of this thing and reduce taxes.

The only reason we are able to talk about a tax reduction now is that we did cut \$13 billion off the Truman budget in the last Congress.

There is a second way, however, of cutting taxes and that is by broadening the tax base. There are two ways of broadening the tax base. One is by encouraging private enterprise in the country. I submit we are doing that. One way of encouraging the expansion of our industrial endeavor is through eliminating some of these restrictive taxes and providing a proper climate.

The second way of broadening the tax base, a more direct and important way, is to get the Government out of business, return to private enterprise some of these fields of endeavor. For example, when we sold the Federal barge line we not only received that money for the Treasury but we returned that particular activity to the tax base, thereby broadening that base. So instead of talking about giveaway programs when the Republicans are trying to move the Government out of business, we indeed are actually setting up a situation so that we can eventually reduce taxes.

The figures are here. In 1929 the ratio of private capital investment to public capital investment was 9 to 1. The last year in which we have complete figures, 1948, shows that ratio had declined 5 to 1. That is what is meant by creeping socialism. If you raise that tax base which is now 5 back to 9 you can decrease your tax rate and still have the same tax take.

I want to discuss finally one matter that now seems to be rather academic, but I want to make the record at this point for future references. I refer to the committee amendment which is going to be offered to put in a fixed date for expiration of certain excises in this excise tax bill. I am opposed to that amendment. I voted in committee to bring the amendment to the floor simply because this bill is being considered under a closed rule and only committee amendments may be considered. I felt it was proper for the House to have an opportunity to act upon this proposition. However, I hope the House will reject the committee amendment. A fixed date for excise tax expirations has never been placed in an excise tax act with one exception. The Revenue Act of 1951 provided for automatic reductions on April 1, 1954. This was an

anomaly without precedent with respect to excise taxes designed to raise revenue.

Certain excise taxes were, however, imposed for the duration of World War II plus 6 months. It is interesting to note that all of these wartime rates, incidentally, have been continued.

Now, we are experiencing the results of putting a fixed date in the excise tax law for the first time. In the past 2 months we have had a buyers' strike, and it is the very fact that there is a fixed date in the Excise Tax Act that has caused this trouble. That, frankly, was an argument I used against the previous administration as an example of improper procedure in writing taxes. Now, on our side of the aisle we are going to go right along and do the same thing for the first time. The Democratic administration did it first, and now we are following suit, and in both instances, I submit to you, it is being done for what is considered to be smart political reasons. It is a little bit of a gimmick to try to fool the people, because whenever you put a tax on the books, believe me, it stays on the books until the Congress decides it can take it off the books. It is simply kidding the people when you put in an expiration date. The very people who argue for it, the automobile industry, who created this situation here today, are the very ones, in my opinion, who are going to rue it, because it is going to create this same buyers' strike for them next year. I submit that that is not the way to write excise tax legislation, and I would plead with the cool minds on both sides of the aisle to reject this amendment and let us not get politics into writing our excise tax laws, at least, in the field of what is correct procedure.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. GOODWIN].

Mr. GOODWIN. Mr. Chairman, I rise in support of this bill, H. R. 8224, a bill to reduce certain excise taxes. This important legislation, which was favorably reported by the Committee on Ways and Means, will represent a saving to the American consumer of \$912 million. This action of the committee was taken following long and exhaustive hearings held on the subject of excise taxes last summer. The effect of the bill is to reduce those ad valorem excise-tax rates which were over 10 percent to the 10-percent level. It reduces such retailers' excises as furs, jewelry, toilet preparations, and luggage; and in the field of manufacturers' excises, those including cameras, lenses and film, sporting goods, mechanical pens and pencils, lighters, electric light bulbs, and firearms, including pistols and revolvers. Miscellaneous excises also reduced include admissions to theaters, motion-picture houses and other places of amusement, club dues, leases of safe-deposit boxes, and transportation and communications, including telephone and telegraph.

These last two items, transportation and communications are peculiarly typical of excise-tax legislation put on the books as a war measure. The tax on transportation was passed to discourage unnecessary travel in order to leave these

facilities for the movement of those connected with the war effort and the tax on communications was to discourage the use of the wires in order to leave these facilities as free as possible for messages pertaining to the national defense. Relief in the field of communications and transportation is long overdue since the day is long past when we should have been encouraging rather than discouraging a more general use of the various means of transportation and the telephone and telegraph.

Many of the rates have been cut in half. I regard this legislation as a significant first step in the overhaul of our Federal tax laws. As soon as Federal fiscal problems can be solved and the budget brought further into balance, it is my hope and expectation that we will provide even further relief in the excise-tax field.

It is my hope that we can grant relief in the not far distant future to articles not covered in this bill as well as granting further reductions to articles and services which are included in this current legislation. It is my opinion that this legislation will do much to stimulate business and to increase consumer spending. Persons from all walks of life and every category of economic well-being will realize some increase in purchasing power from the enactment of this bill.

I encourage my colleagues, Republican and Democrat alike, to support the passage of H. R. 8224.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, actually at this point it seems to me that perhaps the House would welcome an opportunity to vote on the bill before us and to get rid of the matter as quickly as possible. It appears that most points concerning the bill have been made either by the Republicans or the Democrats. Certainly the bill has been explained very ably by the gentleman from New York [Mr. REED] and the gentleman from Tennessee [Mr. COOPER].

However, I want to take just a few minutes to express some thoughts that disturb me about this whole picture—tax picture—which is presently before us. It has been said here that we can do certain things when we balance the budget, or we should not do certain things until the budget is balanced. It has been my own personal view that we are toying with the solvency of the United States when we do not proceed as rapidly as possible to restore a balanced budget, to do away with deficit financing, and to begin to reduce the size of the public debt to which my good friend the gentleman from Illinois [Mr. MASON] alluded.

Here we are, however, embarking this week and next week upon the consideration of the tax-reduction bills at a time when the President's own budget message clearly indicates to us that we will not enjoy a balanced budget either in this present fiscal year, in the fiscal year to come, and perhaps not even in the fiscal year next beyond that. So, in order to provide tax reduction to people under circumstances such as that, it occurs to me that there must be a very

valid and genuine reason for doing it. Otherwise we are merely attempting to capitalize upon a political advantage in a year, perhaps, when most of us are interested in politics. Why, then, do we propose this week and again next week to reduce taxes in spite of the fact that we know that the budget is to be unbalanced? Because we are told that something must be done to stimulate our economy and to reverse certain trends which are now underway, and without something of this sort being done, those trends may become even worse; and in the light of the possibility that these actions of ours this week and next week will not reverse the trends we may even have to take other steps. Then are we justified, Mr. Chairman, in taking this type of broadax approach?

I plead guilty, Mr. Chairman, just as much as anyone else on the committee, to the approach, because you will recall that in connection with the general tax provision bill we offered this identical proposal on excise taxes, but even though we did, even though we voted to bring it here today, I question whether this is the approach to take to excise-tax reduction in the light of the circumstances that exist. I take the time of the House to make this point because of the statement by the revered Speaker of the House just a few days ago that the President and the Treasury are not satisfied with this approach in the bill that we have here today, but they will let the House pass the bill in a futile gesture and then they are going to the Senate Finance Committee and to the Senate and ask them to take more time with this proposition and not take the approach that we are taking, but to do something that we did not do; that is, limit tax reductions under these circumstances of an unbalanced budget to those situations where a case can be made justifying the necessity, so far as industry and the consumers are concerned, for a reduction in that field.

We asked the question in the committee of representatives of the Treasury. What industries now do you feel are in such circumstances that a reduction in excises should be made? They referred to the fur industry as being one and the motion-picture industry as being another. They said that they had completed studies with respect to those two industries and that they were fully of the opinion that a reduction in excises should be made with respect to them, but that they had not completed studies with respect to the others. Here we are today considering reducing some excise taxes with no showing made, in my humble opinion, of circumstances comparable to that, say, in the fur industry, or in the motion-picture industry, below the levels that existed prior to the beginning of World War II.

Let me give you some examples of what I mean. Pistols and revolvers, firearms, shells, and cartridges, would be reduced by the bill below the rate of 11 percent that existed on December 7, 1941. There is no showing, so far as I know, of those industries being in desperate straits. Maybe they are, but

there was no showing to the committee. The bill also reduces the tax below the level in December of 1941 on club dues, initiation fees; not much, it was only 11 percent then to begin with, and we would reduce it to 10 percent. It is now 20 percent. But we did reduce it below the level on December 7, 1941.

Then, we reduced by half the tax which is assessed on leases of safe-deposit boxes. I know of no emergency situation with respect to them. I really feel, Mr. Chairman, that this bill has been brought to us in a hurried manner, without the committee having been able to give more than a day's consideration of it, ahead of the revision bill, in order to make it perhaps more acceptable to some people to support the tax-revision bill next week and make it possible to hold more people in line against a motion to recommit then, to increase personal exemptions, which is an area where we know there is need for relief.

I wonder if that may have been a part of what was in the minds of those who said, "This is not exactly what the President or the Secretary of the Treasury want, this which we have today, but we will look to the Senate Finance Committee to take care of this bill some time later on"—these are my words, "later on"—"some time later on and after the House has passed the tax-revision bill and we have had a better opportunity through the passage of this bill today to defeat the motion to recommit next week."

Is there any connection? I wonder.

Last week, or a week or so ago, we had up in the committee the tax-revision bill. We had been told all along that there was an understanding that nothing would be done about rates either of individuals, corporations, excises, estate taxes, or otherwise, but right in the closing minutes of the consideration of that bill a proposal was made to continue the 52-percent corporate rate for another year. Why? I wonder if that was included to perhaps make some people believe that the statements that had been made by Democrats were not exactly true; namely, that the tax-revision bill was weighted in the balance in favor of more fortunate corporations and large individual taxpayers. By putting in that additional rate now they maintain that they have continued a high tax on corporations. But I think there is a definite connection between this bill's being out here today in this hurried, haphazard manner, reducing some excises even below the rates that existed on December 7, 1941, and leaving many other excises that were voted after December 7, 1941, at their present rates without reducing them at all. There may be some connection. We hope the Senate will take a little more time and grant relief in the field of excises where relief is needed on the basis of a showing by industries and consumers. I doubt that safe-deposit boxes or firearms can make as good a showing as others who get no relief in this bill such as household appliances, transportation of property, and so on.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks

and include three tables I have prepared myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

(The tables referred to are as follows:)

TABLE I.—Excise tax rates in effect as of Dec. 7, 1941, on items to be reduced to 10 percent by H. R. 8224

RATES AS OF DEC. 7, 1941	
Retailers' excises:	Percent
Furs.....	10
Jewelry.....	10
Luggage.....	(¹)
Toilet preparations.....	10
Manufacturers' excises:	
Sporting goods.....	10
Mechanical pens, pencils, lighters.....	5
Electric light bulbs and tubes.....	11
Pistols and revolvers.....	11
Firearms, shells and cartridges.....	10
Cameras, lenses, and film.....	10
Miscellaneous excises:	
Telephone, telegraph, cable, radio.....	(²)
Local telephone.....	6
Transportation of persons.....	5
Leases of safe deposit boxes.....	20
Admissions:	
General.....	10
Cabarets.....	5
Club dues, initiation fees.....	³ 11

¹ Rate on luggage was 10 percent of manufacturers' sale price.

² Telegraph, cable, radio messages, and leased wires 10 percent of amount charged; long distance telephone, 5 cents for each 50 cents or fraction.

³ Dues and initiation fees of \$10 or less exempt.

TABLE II.—New excise taxes imposed by the Revenue Act of 1941¹ or later acts which are not reduced by H. R. 8224

PRESENT LAW RATE	
Liquor taxes—Distilled spirits, occupational taxes—Nonbeverage manufacturers, per annual withdrawals:	
Not more than 25-proof gallon:	\$25 per year.
Not more than 50-proof gallon:	\$50 per year.
More than 50-proof gallon:	\$100 per year.
Stamp taxes, documentary, foreign insurance policies—Life, sickness, accident, and annuity and contracts, reinsurance policies: 1 cent per \$1 or fraction of premiums.	
Manufacturers excise taxes—Business and store machines: 10 percent. Electric, gas, and oil appliances: 10 percent.	
Matches, ordinary, 2 cents per 1,000.	
Musical instruments: 10 percent.	
Phonographs and records: 10 percent.	
Refrigerating apparatus, air-conditioning units, quick-freeze units: 10 percent.	
Television sets, components: 10 percent.	
Miscellaneous excises: Bowling alleys, billiard and pool tables: \$20 per alley or table per year.	
Coin-operated devices—Amusement: \$10 per machine per year. Gaming: \$250 per machine per year. Diesel fuel used for highway vehicles: 2 cents per gallon.	
Transportation of property—Coal: 4 cents per ton. Other: 3 percent. Wagering—Wagers (except parimutuel): 10 percent of amount wagered. Occupation of accepting taxable wagers: \$50 per year.	

¹ Revenue Act of 1941 became effective October 1, 1941.

TABLE III.—Excise taxes in effect prior to World War II which were increased during or subsequent to the war which are not reduced by H. R. 8224

	Unit of tax	Rates in effect prior to Dec. 7, 1941	Present law rates
Liquor taxes: ¹			
Distilled spirits.....	Per proof or wine gallon.....	\$4.....	\$10.50.
Fermented malt liquors.....	Per barrel.....	\$6.....	\$9.
Wines:			
Still wines.....	Per gallon according to alcohol content.....	8 cents, 30 cents, 65 cents.	17 cents, 67 cents, \$2.25.
Sparkling wine, champagne, cordials, etc.....	Per ½-pint.....	3½ cents, 7 cents.	12 cents, 17 cents.
Tobacco taxes:			
Cigarettes:			
Small.....	Per 1,000.....	\$3.25.....	\$5.
Large.....	do.....	\$7.80.....	\$8.40.
Cigars.....	Per 1,000 according to retail price.....	\$2 to \$13.50.....	\$2.50 to \$20.
Manufacturers excise taxes:			
Passenger cars and motorcycles.....	Manufacturers sale price.....	7 percent.....	10 percent.
Trucks, buses, road tractors, etc.....	do.....	5 percent.....	8 percent.
Auto parts and accessories.....	do.....	do.....	Do.
Automobile tires.....	Per pound.....	5 cents.....	5 cents. ²
Automobile tubes.....	do.....	9 cents.....	9 cents. ²
Gasoline.....	Per gallon.....	1½ cents.....	2 cents.
Lubricating oil.....	do.....	4½ cents.....	6 cents.
Matches, wood, fancy.....	Per 1,000.....	5½ cents.....	5½ cents. ²
Radio and radio accessories.....	Manufacturers' sale price.....	10 percent.....	10 percent. ²
Refrigerators, household types.....	do.....	do.....	Do.
Telephone, telegraph, etc., wire and equipment service.....	Amount charged.....	5 percent.....	8 percent.

¹ Increases in occupational taxes have been omitted from this table.² Increased by Revenue Act of 1941 which became effective prior to Dec. 7, 1941, but not increased in later years.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, the great Ways and Means Committee has a special and heavy responsibility to the rest of us here in the House who are not on that committee. By long tradition, tax bills come to the floor under rules that prohibit amendments by the rest of us. We can only vote "yes" or "no" on the whole bill as they want it. We must take it or leave it without change.

I have been studying this bill and the accompanying report. While it reduces excise taxes \$912 million, it continues a number of excise taxes amounting to a billion a year that would otherwise lapse on April 1. I am glad to vote for the reduction; I feel that, in view of our budget situation, I must vote to continue the so-called April taxes, even though I realize that all these excise taxes, even at the reduced rate, are a heavy burden.

I have studied the record and listened to the debate to see whether any better alternative program was offered by the minority, the Democrats on this committee. In the minority report I found that a whole series of reductions were offered by the Democrats which would have destroyed the Treasury program, and then they criticized the Republicans for not following the Treasury. I have heard on the floor today that the Democrats offered 50 amendments, and all 10 of them voted for them. When I tried to find out what reductions this Democratic program would have brought about, I was told, here on the floor, by two Democrat committee members, that they did not know; that the majority could tell me. Another Democrat said their reductions were the same as the 1950 revenue bill, or \$1 billion, but their own minority report disproves this, as they claim credit for trying to reduce many excises that were not in the 1950 bill.

The Republican estimate, which the minority members requested from the gentleman from Tennessee [Mr. BAKER], is that this whole series of Democratic proposals would have substantially wiped out the excise taxes, amounting to nine billions.

Mr. Chairman, I can only conclude that the minority proposals were made without any basis at all, purely for political purposes, a completely insincere, irresponsible, partisan maneuver. I think the minority on that committee owes the rest of us, owes the country, something better than that. I think we ought to be able to rely on them a little. The opposition has a measure of responsibility.

The fact that they have abandoned these amendments when they could offer them as a party motion to recommit shows that the minority report is a phony. The minority maneuvers in committee were purely political, and not very pure at that.

In foreign affairs, defense, roads, agriculture, and many other areas of our work here in the House there is a measure of bipartisan responsibility in committee work. I hate this evidence of partisan irresponsibility on tax problems.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I will vote for the adoption of the excise tax reduction bill (H. R. 8224) now under consideration in the House.

It is a bill that recognizes the injustice of continuing the present Federal taxes on many articles as well as for certain services of general use. In many instances the taxes should have been repealed long ago. They have been a detriment to business and an annoyance to the taxpaying public. I regret that the bill does not do away entirely with some of them. The committee gives notice of

an intention to continue its study of the subject and gives some encouragement to the thought that at a later date there will be further reductions.

I am hopeful that the results from the present reductions will be so encouraging in stimulating business with respect to those receiving the reduction that it will show the justification of still further reductions and extension to subjects not covered under the present bill.

The present bill reduces to 10 percent the taxes on the articles and services referred to in it which are now above 10 percent. I am of the opinion that this reduction will stimulate business and employment not only in those industries directly affected by these taxes, but also in other industries, since consumers and the users of services will pay less for many of these tax items and have more money available for other purchases. Furthermore, this change provides a more equitable tax system by leveling down those rates which are now excessively high.

The following table lists the taxes which are reduced under this bill, showing the rates under present law, and the estimated reductions in excise tax collections:

	Rates under present law	Rates under this bill	Reduction in excise-tax collections (full year effect)
	Per cent	Per cent	Million dollars
Retailers' excises:			
Furs.....	20	10	20
Jewelry.....	20	10	100
Luggage.....	20	10	40
Toilet preparations.....	20	10	55
Total.....			215
Manufacturers' excises:			
Sporting goods.....	15	10	3
Mechanical pens, pencils, lighters.....	15	10	4
Electric light bulbs and tubes.....	20	10	20
Pistols and revolvers.....	11	10	(?)
Firearms, shells, and cartridges.....	11	10	1
Cameras, lenses, and film.....	20	10	15
Total.....			43
Miscellaneous excises:			
Telephone, telegraph, radio, cable.....	(?)	10	235
Local telephone.....	15	10	125
Transportation of persons.....	15	10	95
Leases of safe deposit boxes.....	20	10	5
Admissions:			
General.....	20	10	175
Cabarets.....	20	10	
Club dues, initiation fees.....	20	10	19
Total.....			654
Grand total.....			912

¹ Under present law this rate is scheduled for reduction to 10 percent on Apr. 1, 1954.² Negligible.³ Telephone or radio-telephone messages, toll charges over 24 cents, 25 percent; domestic telegraph, cable, and radio dispatches, 15 percent; international telegraph, cable and radio dispatches, 10 percent; leased wire service, teletypewriter, or talking circuit special service, 25 percent.⁴ Under present law a penalty tax of 50 percent is imposed on sales by proprietors in excess of the established tax; this rate is not reduced.

Thus, it will be seen that while the reduction is not as great in some particulars as we would like, yet, as the bill is not open to amendment I will accept it and hope that the day will not be

too distant when further relief by tax reduction will be forthcoming.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Knox].

Mr. KNOX. Mr. Chairman, today we have before us a bill in the form of reduction of taxes that have been imposed upon the people of the United States of America. Today Congress on the 10th day of March has come out of camp and gone out in the field on the march to bring relief to that great army who have made the great sacrifices in their contributions in order that we may have a safe country in which to live. They now will have some relief from the burden of that series of taxes which were imposed upon them.

My good friend from Tennessee [Mr. COOPER], in his statement said that on the motion to put the dates in the bill we had before us and which you have before you today, the minority party 100 percent were for putting the termination date in the bill and the majority party, the Republicans, were opposed to it. This is not the absolute fact, because I, as 1 member of the majority, did move to put the date in the bill, and there was 1 member of the minority who did not vote to put the date of April 1, 1955, in the bill. That was on my own motion before the committee, and as far as the committee is concerned, on many occasions the vote was not along party lines at all.

It was for no other purpose than to express ourselves on those things which we felt were in the best interests of the people whom we have the honor to represent and the Nation as a whole. Many times there was a division as far as the majority party and the minority party was concerned. I believe that this amendment which will be offered this afternoon will do great things for this great economy of ours through the automotive industries which, I might say, is not confined exclusively to the State of Michigan, as some people seem to think, but which affects the entire Nation. I believe this will be a great stimulant and will add greatly to the economy of our great Nation.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. FORAND. I want to point out to the gentleman and for his constituents that the gentleman sat directly behind me in the committee the time that he made that motion, and that he did vote with the Democrats on it.

Mr. KNOX. I thank the gentleman for the comment.

Mr. Chairman, if ever there was a time when the Nation was entitled to and justified in receiving tax relief, this is the time. We are in a period of transition. We are coming out of wartime period and going into a peacetime era. Naturally, there are certain things happening today that did not happen during the time that the Government was providing huge sums of money to fortify our Nation. Therefore, we are in a transition period and with the tax reduction, we are going to give back to the people of our great Nation additional billions of dollars in order

that they may go out and purchase these commodities which they desire to purchase. Through their additional purchasing power, the Government is not going to lose too much money because their purchases will be reflected in the Treasury when the Treasury receives additional dollars so that the Government may pay off our national indebtedness and keep our country on a sound, economic basis which I am sure all of us are in favor of.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. LANTAFF].

Mr. LANTAFF. Mr. Chairman, this legislation represents a slap in the face to several of our Latin American neighbors. Its passage by Congress without giving any consideration to outright repeal of the discriminatory transportation tax levied by the United States against travel to the Central and Caribbean areas is tantamount to rubbing salt in an open wound.

In 1941, a transportation tax was levied upon the transportation of persons both within and without the United States. Subsequent amendments to the original law have excluded travel to Europe and South America from the payment of the tax. However, transportation to Central America and the Caribbean is still taxable under the law and the Republics in these areas justifiably complain that this is an unfair discrimination against them, since no such tax is collected for travel to any other foreign country.

In the Caribbean area, tourism is the only industry capable of meeting the very grave problem of a limited agriculture, combined with a fast-growing population. Moreover, as they are not highly industrialized countries, they import every type of manufactured product and tourism constitutes a major dollar source. All this being so, it is most desirable that we encourage more trade with and travel to the Caribbean area.

However, cruise ships are known to avoid making port in the countries subject to the tax. No tax would be charged for travel to the Iron-Curtain countries, but if one decides to make a trip to friendly Cuba or Haiti, the traveler is penalized 15 percent, and under this bill, will still be penalized 10 percent. If a tourist goes direct from the United States to Trinidad, 15 percent is added to his fare, but if he goes to Venezuela, 15 miles farther, no tax would be charged. It is not hard to understand the resentment created in the Caribbean against the United States because of this discrimination. It cannot be said that under this bill any relief whatsoever is granted to these countries, such as Panama, Cuba, Haiti, the Dominican Republic, and Nicaragua by a 5-percent reduction in the levy, because it is the discriminatory feature of this tax that rightfully angers those whose friendship we profess to want. In other words, the distinguished Ways and Means Committee of the House has seen fit to slam the door in the face of our Latin-American neighbors when the first opportunity is presented to implement our announced good-neighbor policy.

The Randall Commission report recognized that the best interests of the

United States will be served by promoting rather than discouraging tourism. That report states in part:

It is clearly important to the economic and social development of the free world that the United States Government promote foreign travel. Increased travel abroad by Americans can make a substantial contribution over a period of time to increasing the dollar earnings of foreign countries. While tourist promotion should be primarily a private responsibility, the Commission appreciates that the Government cannot exercise its appropriate functions in respect to foreign travel at no cost whatsoever. There are many actions which the Government might take.

... The President should direct the appropriate departments of the Government to encourage the promotion of tourism.

The Secretary of the Treasury recently advised me that the estimated total tax collected for transportation to the Caribbean countries and Central America, including Mexico, amounts to only \$12 million. The reduction in the tax to 10 percent, as provided for in this bill now under consideration, would mean that the total tax collected for travel to these countries would amount to only \$8 million. It seems inconceivable that this Congress would insist on the continuation of such a levy in view of the widespread resentment which it generates.

In conferences that I have had with representatives from the Department of Commerce, the Department of State, and the White House, I feel sure that they will urge the committee to act favorably on H. R. 3638, the bill which I introduced last year to repeal this tax on travel to Central America and the Caribbean area.

In fact, I am at a loss to understand why our State Department sits idly by without raising its voice in behalf of our Latin American neighbors. I feel sure that our Secretary of State, who is now in Caracas urging hemispheric solidarity in the fight against communism, is probably not even aware of the protests lodged with his Department by the Ambassadors from all the Latin American countries discriminated against by this tax and whose cooperation he is now seeking. The Republics involved have always stood by the free world in the fight against Soviet imperialism. Why should we extend a tax against them that we do not even levy for travel to Russia or Red China?

Should the other body fail to eliminate this tax when this bill is considered, I am hopeful that the Ways and Means Committee will act promptly to eliminate this discrimination by reporting H. R. 3638.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. The gentleman is to be commended for reminding the House of this very important, serious tax problem. The facts are that on every hand there are situations which ought to be relieved. I think it would be enlightening if the gentleman would tell the House when this tax on travel was put on and at what time it was taken off on part of the world travel and not

on that part of the area in which the gentleman is interested. I share the gentleman's desire that it ought to be corrected. We cannot do everything at once, we have so many problems on hand.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. LANTAFF. The tax was levied in 1941. It was removed for travel to Europe at the end of World War II for the express purpose of encouraging travel thereby furnishing Europe with dollars. It was subsequently taken off of South America. The total revenue, in accordance with the estimates of the Treasury, from this tax will amount to only \$8 million at the proposed 10-percent rate. It is inconceivable to me that this Congress and the distinguished Ways and Means Committee would slam the door in the face of these people that we profess friendship for, for the sum of \$8 million. It is inconceivable to me that some action has not already been taken by the Ways and Means Committee on the bill which I introduced last March in order to eliminate this tax for travel to one small area of the world.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. I yield.

Mr. EBERHARTER. I have looked into the subject about which the gentleman is talking here, and I heartily approve of everything he has said this afternoon. It only bears out what was said by the minority that this bill on the floor today was acted upon too hastily, without consideration of the very important problem the gentleman brings to our attention this afternoon. That is one of our chief complaints about the attitude of the majority; they just decide to tackle a proposition by the broadaxe method. Had we had time to give consideration I am sure the committee would have adopted the proposal of the gentleman from Florida. I am sorry only that we do not have enough time to do it. Certainly the minority wanted more time on this bill, and I am certain if the majority had let us have more time we would have adopted his amendment and I think they would have supported it also, but it is just the wrong approach that they take toward trying to solve these important problems.

Mr. LANTAFF. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. If the gentleman will yield me time; my time has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman an additional minute.

The CHAIRMAN. The gentleman from Florida is recognized for an additional minute.

Mr. LANTAFF. I yield to the gentleman from New York.

Mr. REED of New York. I realize the problem exists that the gentleman presents here, but there is a large number of problems that we inherited, and we

cannot solve all of these problems at once. We did not put that tax on, but we are looking into the future to take off all the taxes that we can without impairing the fiscal affairs of this Government.

Mr. LANTAFF. Sir, your committee has that opportunity now by reporting favorably H. R. 3638; and if the gentleman is desirous of trying to alleviate this iniquitous and discriminatory tax I hope he will report this bill to the House promptly. Certainly the loss of revenue from this tax will not impair the fiscal affairs of the Government.

Mr. REED of New York. Let me assure the gentleman that we are using every minute of our time in the work before us. We are not wasting any time, and we have not wasted any time for the last year.

Mr. LANTAFF. I thank the gentleman.

Mr. REED of New York. We have been working since 1951 to try to correct this situation. Many of the inequities will be corrected, but you cannot do all these things at once.

Mr. LANTAFF. I express the hope this afternoon that in connection with the program of the administration and in furtherance of the views so ably expressed by the gentleman when he concurred in that portion of the Randall Commission report pertaining to "tourism" that as soon as possible he will help us remove this discriminatory tax by acting upon H. R. 3638.

Mr. REED of New York. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Chairman, it is with very real anticipation that the country awaits a reduction in excise taxes to a level of 10 percent on a selected list of items. Families are going to be able to spend more of their own money for the things they need and want instead of having the Government spend it for them.

Cutting the excise tax on toilet preparations, for instance—according to House Report No. 1307—will turn an estimated \$55 million into the channels of our economy that now goes into the public till.

A cut to 10 percent on admissions will free an estimated \$175 million, and that invisible guest for whom we always have to buy a ticket when we go to the movies will begin to fade away.

The cut will release an estimated \$40 million now paid on luggage and handbags—something every woman in the United States has been awaiting for a very long time. It will release an estimated \$20 million now paid in the form of fur taxes; \$100 million now paid on jewelry; an estimated \$20 million now paid on electric light bulbs and tubes; \$15 million now paid on camera equipment; an estimated \$235 million paid on long-distance calls, telegraph, radio, and cable tolls.

It all adds up to \$912 million that will stay in the consumer's pocket to be spent at his discretion for the things he needs instead of going to the Government.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, as has been mentioned by my colleague on the committee, the gentleman from Arkansas [Mr. MILLS] I too, did not intend to speak on this measure because our affable chairman, the gentleman from New York [Mr. REED], and the ranking minority member, the gentleman from Tennessee [Mr. COOPER], have outlined in detail the purposes of this legislation. However, in line with what the gentleman from Arkansas [Mr. MILLS], said, it provoked the thought which I am sure has been permeating our discussion all afternoon but has not necessarily been pinpointed and mentioned outright, and it is in addition to this: That in this measure we are bringing relief to the consumer when we are reducing the tax, the cost of the articles the taxpayer needs. Namely, by lessening the excise taxes on all the items which have been mentioned here, and let us take for example jewelry, I think we forget because it is so obvious, so patent, that when jewelry is reduced by 10 percent it will sell because there has been a buyers' strike on this item, but we overlook the fact that jewelry before it becomes a salable product is an item of raw material to which has been applied the skill of labor; and the fact that there presently are large inventories of all of these items on the retailers' shelves for sale, a lesser tax meaning a lesser purchase cost will necessarily mean that the stock will move since those who have been withholding that purchasing will now buy. This will automatically permit concerns to make new articles, to replenish the stock of the retailer, it will permit them to apply the skills of labor to the manufacture of those articles, they will have more opportunity and will be brought back again to the position of manufacturing, whether it be jewelry or handbags on which we are taking off the excise tax today. It means jobs for the men and women workers in each of these industries.

In connection with the fine statement just made by the gentleman from Florida [Mr. LANTAFF], with which I, too, am in agreement, may I say that I feel we ought to take off the entire amount of taxation that is levied against transportation here in the United States. We are reducing the transportation tax from 15 percent to 10 percent in this bill. I think every man and woman, each boy and girl, every citizen, and all people of the United States who must use public transportation to go to daily tasks or longer travel in this country ought to be relieved of this transportation tax. I thoroughly agree with the slogan of the greeters of the American Hotel Association: "See America First." I have no quarrel with those who want to go to the Caribbean, I would like to go there some time myself, but I think many of our citizens who cannot afford to go there ought to be privileged to see their own great country, the United States of America, which they would appreciate more if they could see it. Many are prevented

because of this tax on transportation which they must bear.

Mr. Chairman, in conclusion, I am, of course, in full accord with this measure from my Ways and Means Committee, before us today and shall vote for it.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, I should like to attach my remarks to those of the gentleman from Tennessee [Mr. COOPER] when he earlier reviewed the committee report on this bill, and in general add my comments to those of the distinguished chairman of this great committee, Mr. REED of New York.

I rise at this time in support of a constituent of mine, assuming that we can in this country still call a corporation a person at law and therefore classify it for purpose of debate, as a constituent. I speak on behalf of the payroll of a four-and-a-half-million-dollar corporation, the El Dorado Oil Works, of Bayonne, N. J., which has been closed down because of the 3 cents a pound excise tax on coconut oil. It is the only independent copra crushing plant on the Atlantic Coast. I am proud to speak in its behalf here on the floor. I want the excise tax rescinded, the payroll restored, and the plant reopened.

I understand that when the tax was put on coconut oil, then used in oleomargarine, it was levied originally to give oleomargarine a tougher fight in getting into the market to compete with butter. Even Stephen battle lines were sought.

We speak here in the majority report of giving the consumer a better break in terms of purchasing power, and that we are for free enterprise. I think we agree that free enterprise means among products as well as management brainpower among industries.

I should like to ask the distinguished chairman of the Committee on Ways and Means a question in reference to this coconut-oil excise tax. Is it contemplated that a further study will be made on this item because coconut oil is no longer used in oleomargarine, therefore vitiating the spirit, intent, and validity of the tax?

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. SIEMINSKI. I yield to the gentleman from New Jersey.

Mr. KEAN. That question, which was also brought to my attention by the El Dorado Oil Co., was taken up with the chairman and with members of the committee. We talked it over with the staff and we felt that it would be almost impossible to translate the cutting of a specific dollar tax of this kind to the 10-percent level that we were cutting other taxes. But the chairman of the committee indicated to me, and I think he will verify this, that we hope at a later date this spring to take up the question of some more selective ones of the excise taxes and the question of coconut oil, as well as cutting oil and other items of that kind that have a dollar tax, will be considered.

Mr. SIEMINSKI. Thank you, sir. I appreciate your spirit of cooperation.

Mr. KEAN. I hope in the meantime they have not sold all of the machinery in their plant.

Mr. SIEMINSKI. I think the gentleman's answer in the RECORD today will stay the hand of the copra-crushing auctioneer. This is a \$4½-million firm, with a payroll potential of well over 100 people. As we know, coconut oil, stockpiled for napalm bombs, is also used in natural soaps, for commercial and home consumption. I understand that the producers of synthetic soaps are giving coconut-oil soaps a good run for their money, but the fight is not an even one. It is not really free enterprise. The synthetic-detergent producers have a better tax break because of this 3-cent-a-pound tax on coconut oil. I am sure that the producers of synthetic detergents would like to stay in the game and slug it out on equal terms with natural coconut-oil soaps. I do not think they want Uncle Sam to tip his scales in their favor. The consumers will decide that. Both type products should square off, in the open market, even Stephen.

Mr. KEAN. Of course, the tax was levied on account of reasons that do not exist any more in the coconut-oil industry.

Mr. SIEMINSKI. It is nice to get your reassuring answer to a problem that disturbs many idle and unemployed people in my district. I thank the gentleman.

And, of course, Mr. Chairman, we should remove any tax that makes students at bona fide educational institutions pay to enjoy amateur sports contests or to enjoy social festivities sponsored by their nonprofit schools.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I am very happy to stand before this body and announce that I am going to vote to reduce excise taxes. I wager there are no unhappy individuals in the Congress, and I will be very much surprised if there are any votes against this bill to reduce excise taxes. Those of us on this side of the aisle feel that we have reason to be pleased that our tax policies permit me to stand in front of you and support this bill which comes from a Republican dominated Committee on Ways and Means. We are carrying out a promise we made to the American people, namely, that we would, whenever economic conditions permitted, reduce taxes. In our opinion the time is ripe now for a reduction in taxes.

Now, my friends on the other side of the aisle, I am sure, are happy, too, for they must want to vote to reduce taxes. We have all had great experience in voting to increase excise taxes. To reduce them you simply vote now as you did then with a "Yea." I think you will be proud to do it. I know the American people will be pleased to see that they now have a Congress which is determined to give back to the American people some of the dollars which they have earned so that they may spend that money themselves. The American people recognize that dollars which are sent to Washington, for whatever purpose, do not in their entirety return back home. A certain amount of it sticks here in

Washington; a certain amount of it is lost in overhead; a considerable portion is wasted. I am glad to see that this political party now in power in the Congress, I repeat, is keeping its pledge to reduce taxes. I think back to the 80th Congress, and in that Congress you people of the Democratic Party were then given a chance to do the unusual, and you did vote to reduce taxes. I believe that the only times in recent history when you did have a chance to vote to reduce taxes was when the Republican Party was in power. To the American people who have entrusted the Republican Party in this critical stage of our country's history, I want to say I know they made a wise choice. I know that with the Eisenhower administration in power we are not only going to fulfill our promise to reduce taxes, but we are going to do it upon a sound basis, upon a basis of, first of all, bringing the economy to a situation wherein no longer is there a war. In that area we fervently pray and earnestly hope that peace may be preserved. When that peace is preserved, it is proper that Government spending be cut and that taxes be cut, too.

We have presented to you a bill wherein all excises, with the exception of those on liquor and tobacco and a few others, are reduced to 10 percent, if at the moment they are above 10 percent. It involves about \$1 billion which the American worker will be able to spend which otherwise would be taken from him by his Government. I know that the American worker needs that money today as he would any other day, that he can spend the money more wisely, and that he will spend it for the things which he wants to give him a fuller and a better life. And I suggest that further cuts in these taxes are both desirable and anticipated.

In addition, there will be adjustments in certain areas where there are hardships prevailing today, wherein certain industries are badly hurt because the excise tax limits the sales of the items involved within those areas. Because of the shortage of time, or perhaps for other reasons, we were not able to present to you today a bill correcting those bad situations. We are, however, eager to state that studies will be made and that, in due course, we expect to come before you again soon for further cuts in these so-called hardship areas.

In a day or two we will have the bill which will be a monument to both political parties of the Congress. That is the revision bill, which will be called the revision bill of 1954. It represents a great work on the part of the employees of the Treasury, of the joint committee, and of the Congress. It represents a great concentration of effort in a constructive manner by members of both political parties on the Committee on Ways and Means. It is, indeed, surprising that in very large areas there is complete agreement with respect to that bill.

It will provide substantial savings to the American taxpayer. It will cut down on a great deal of the administrative work which is unnecessary and so bothersome and burdensome to the

American taxpayer today. True, it will cost the Treasury some money, but out of that bill will, we believe, come certain sparks which will inspire and lead to a pickup in certain areas of business in our country.

We believe, for example, that there will be an incentive once again to the individual to use money which he saves, by reason of not having to pay the extra taxes, to buy stock in businesses, and to help provide jobs. Do you realize that today in order that one man or one woman—any man, any woman—any place in the United States, may secure a job, some person in the United States must have shelled out—paid out, laid down, invested—\$15,000 to provide a job? That is what it means to have capital, without which no one can work for a private employer, without which one must work for Government.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. JONAS of Illinois. I want to say, Mr. Chairman, that I am very pleased to have the opportunity to listen to the sentiments and the logic of the gentleman from Pennsylvania [Mr. SIMPSON]; especially the words he used at the outset of his address this afternoon to this House. That is, that he is very glad to have the opportunity at this time to be a party to the promulgation of a bill into a law that will at last give a little ray of sunshine and hope in the dark firmament of obnoxious taxation that has been on the backs of the people for a decade.

I want to say to the gentleman that I most heartily join in those sentiments and, coming from a metropolitan area, I do not know what better message I can bring to my people than to tell them that at last we are doing something that we have been promising in a field that has caused me to be bombarded with letters and data and personal appeals for the last 4 years.

Mr. SIMPSON of Pennsylvania. I call the gentleman's attention to the fact that back in the early 1930's taxes were as nothing compared to what they are today and that every increase that came to pass in the intervening years—and there have been many of them—came to pass when the other political party, the Democratic Party, was in power. At that time, back in the early thirties, and I think I am correct, the personal exemption, the amount below which you did not have to pay any income tax, was \$2,000 or \$2,500. That was whittled down until at the time of the 80th Congress if you earned as little as \$500 you had to pay an income tax, and the man with children in school was allowed to deduct only \$500. However, in the 80th Congress we did raise that to \$600. It would be nice to raise it still more. One of these days, when the economy of our country is again geared to peacetime living, as it will be within a short time, the Republican Party will constructively proceed with proper tax reduction.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. JONAS of Illinois. I think the gentleman will agree with me that there was a purpose in levying these particular taxes we refer to as excise taxes and accelerating them to the high figure that prevails today. This is the first relief we are getting through legislation in reducing what we call these wartime excise taxes. They have been a terrible hardship on all the businesses affected by them which I am sure will gladly welcome the substantial cuts that have been given them.

Mr. SIMPSON of Pennsylvania. A goodly number of those taxes were put on deliberately for the purpose of keeping people from buying the products of those industries, because in wartime we did not want the industries to manufacture those particular products for the private consumer. Today we want them to. Today there is no war. Today the people have the money. We want the tax taken off so that those industries will expand.

I repeat, I am very happy that both political parties under the leadership of the majority party will support this legislation.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I only wish the Secretary of the Treasury could have heard the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. I will see to it he reads it.

Mr. FORAND. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I should first like to address myself to the motion to recommit which will be offered by the gentleman from Texas [Mr. LYLE]. Then if I have a few additional minutes, I should like to discuss some of the policy, as I see it, involved in this proposed legislation.

At the conclusion of general debate the gentleman from Texas [Mr. LYLE] will offer a motion carrying that part of the Democratic motion to recommit which was not adopted by the Republican conference on yesterday afternoon. As the conference adopted two-thirds of our motion, I am reasonably certain the House itself will adopt the balance of it. I believe there are very definite and commanding reasons for the adoption of this motion.

The motion provides that the tax on all admissions below 50 cents will be eliminated. What does that mean? It means movies, swimming pools, skating rinks, small county entertainments, small fairs, and amusement parks; in other words, it means the recreation provided for the average poor man and the average poor man's family throughout our country.

Revenue-wise, in a bill involving admitted reductions of something approximating \$940 million or thereabouts, this item involves only \$40 million.

Why is it important that the motion to recommit be adopted? In the first

place, the legislative history of this matter is very interesting. Last year, acting on a bill introduced by my distinguished friend, the gentleman from Illinois [Mr. MASON] this body passed with only scattered opposition—I have forgotten the vote, but the opposition was insignificant—and the other body passed, I believe, without any opposition legislation removing the admissions tax altogether—not removing the tax on admissions under 50 cents, but on all admissions to moving-picture theaters all over the United States of America.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. COOPER. I have asked the gentleman to yield in order to make a slight clarification. The motion to recommit will be for admissions of 50 cents and less.

Mr. BOGGS. Yes, I thank the gentleman very much.

Mr. COOPER. The estimate which the gentleman has given of the amount of money involved is covered in a letter to me dated March 8, 1954, by Mr. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation in which he states:

We estimate that if all admissions of 50 cents or less were exempted from an admission tax of 10 percent, the revenue loss would be \$40 million for a full year.

Mr. BOGGS. I thank the gentleman very much.

Mr. COOPER. Of course, this motion to recommit will not exempt from taxation admissions of more than 50 cents.

Mr. BOGGS. That is correct.

Mr. Chairman, if there were reasons for adopting the Mason bill last year which eliminated the tax in its entirety, certainly the reasons are now even more pressing than they were at that time, and certainly this relief which grants only a 50-cent exemption rather than total exemption can be adopted now, if last year we could adopt complete exemption.

Let us take a look at some of the figures. At the time we acted last year, the committee had received testimony to the effect that the moving-picture industry was a distressed industry. The President vetoed that bill but the administration agreed that the movie industry was distressed, and in the examination before the committee—and I want to emphasize this because on last Wednesday or Thursday, whichever day it was when we considered this proposed legislation—we were summoned to a committee meeting at 10 a. m.—we went in and were presented with a bill introduced and numbered. There were not 5 minutes of hearings on that bill. Not one line of testimony. After the minority members of the committee had sought all morning long to obtain some equitable amendments to the proposed legislation, and we had been voted down, I point out invariably by straight-party-line votes, finally we went back in the afternoon and met here in the small committee room, and I turned to Dr. Smith, of the Treasury Department, and I asked Dr. Smith if he would be good enough

at this late hour to give us the benefit of the Treasury Department thinking on this tax legislation.

Now, that was the first time that any member of the committee had even sought the opinion of the Eisenhower administration on this legislation. I must tell you it was a bit difficult to get a reply. As a matter of fact, my colleague from Pennsylvania [Mr. EBERHARTER], who is normally a rather mild-mannered gentleman, finally got a little riled up and starting writing down questions directed to Mr. Smith, and eventually the answer came back. The answer was that as far as the Treasury Department of the United States was concerned, there were only two areas where any relief was justified at this time. One of the areas, according to the Treasury Department, was the fur industry. The other area was the movie industry. So that of all the measures in this bill that you will be called upon to vote upon within the next 2 hours, the only one specifically recommended by the Treasury Department is the one affecting the movie industry. Why? Let me read these figures to you.

At the beginning of 1946 the total number of theaters and drive-ins in operation was 19,019. Since 1946 and until February 1954 there have been 4,725 new drive-ins and theaters, making a total of 23,744. Of these 23,744, 6,208 have closed since 1946, or 26.4 of all theaters built. This leaves 17,464 theaters operating now, including drive-ins. Of this total, 6,127 are operating in the red.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BOGGS. Since last July alone, 1,117 additional theaters have closed their doors. The pending bill by reducing admissions 10 percent will relieve very few of these theaters. In fact, 4,820 will still be operating in the red. Most of those 4,820 are small-town theaters, where the admission charge is 50 cents or less.

Our distinguished minority leader on our committee, the gentleman from Tennessee [Mr. COOPER], moved in the committee to reduce admissions to 50 cents. His first motion was that all admissions be reduced to 50 cents, correspondingly identical with the motion to recommit, which you will have an opportunity to vote on shortly. That motion was rejected by a vote of 13 to 12. Then the gentleman offered a motion incorporating substantially the provisions contained in Mr. Mason's bill, and that motion was defeated by a tie vote of 12 to 12, with the gentleman from Illinois [Mr. MASON], author of the proposal, abstaining, and thereby defeating the proposed motion.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. EBERHARTER. I just want to call attention to the fact that the motion to recommit will benefit the small theaters and mostly the people living in small towns where the movie theater is practically the only form of entertainment they have. To close them would

certainly work a hardship on the small towns.

Mr. BOGGS. The gentleman is eminently correct.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. BYRNES of Wisconsin. I just wondered if it was the gentleman's purpose to reveal all the votes, motions, and actions in an executive committee meeting. Does the gentleman intend to do that? I notice the gentleman mentioned how various Members voted in executive session. I just wondered whether that was his purpose.

Mr. BOGGS. If the gentleman takes any offense at anything I said—

Mr. BYRNES of Wisconsin. I wondered if the gentleman was going to release executive session matters.

Mr. BOGGS. The matters I have mentioned have been of record elsewhere. I have seen them in various publications all over the country.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. DEANE. What assurance does the gentleman have that if the amusement tax is reduced the theaters will pass the savings along to the patrons?

Mr. BOGGS. I have no assurance.

Mr. Chairman, I wish to incorporate in the RECORD a brochure entitled "Motion-Picture Industries."

The CHAIRMAN. The gentleman understands, of course, that such request must be submitted in the House.

Mr. BOGGS. I will be glad to seek that permission in the House, Mr. Chairman.

This morning the gentleman from Ohio, I believe it was, made some mention of the motions that we had offered in the committee. As a matter of fact most of these motions were offered as alternative proposals; and the idea of taking them all and lumping them together to get a revenue total just does not make sense. For instance, take the case of the admissions motions, both of which were offered by the gentleman from Tennessee [Mr. COOPER]. Had the first one been adopted, naturally, there would have been no point in adopting a second; and the same thing applied, of course, to so many other motions considered by the committee while in executive session.

Finally, with reference to the policy involved here with reference to overall fiscal policy, and with reference to all of the statements about this great tax reduction that my good Republican friends are now giving the American people: In the first place this bill actually increases taxes; the net effect of this bill is to increase excise taxes by some \$165 million, I believe; because, Mr. Chairman, do not forget that as the law is now written, that is, as of April 1, 1954, less than 30 days from now, the so-called Korean excise taxes expire, and this bill extends those taxes.

These excises were based on the Korean war. I presume it is over, I hope it is over—I do not know whether it is or not. But let us not be pushed around here and call this a tax-reducing bill.

My distinguished leader, the gentleman from Texas [Mr. RAYBURN], referred to the holy pleas of 1952, how you could hear the records playing: Reduce taxes. Balance the budget. Sound fiscal policy. Did any of you hear it? Every time you turned on a radio, every time you looked at television you heard: We are going to balance the budget, reduce taxes, do away with the deficit, have a sound dollar.

Mr. McCORMACK. And do not forget greater defense, too.

Mr. BOGGS. Yes. The gentleman from Illinois [Mr. MASON], talked about the national debt. That is interesting. Why, last summer my distinguished chairman came before this committee and he stated: You have to raise the national debt limit. How much has the national debt been reduced in the last 18 months? As a matter of fact, it would be much more interesting to look and see how much it has been increased.

How much have taxes been reduced? I am not talking about automatic cutoff dates, I am not talking about the cutoff provided in the law by a Democratic Congress; I am talking about actual tax reductions. Not one dime.

Let us talk about this deficit financing. I have before me the report of the Joint Committee on the Economic Report. The chairman of the Joint Committee on the Economic Report is my very beloved friend, the gentleman from Michigan [Mr. WOLCOTT]. This committee is dominated by the majority party. What did it say? First it asked that the national debt limit be increased. Then it is stated:

We are driven inevitably to this view by recognizing that if general economic conditions should deteriorate much below present levels the Federal Government may be called upon to act promptly and vigorously, accepting a deficit as an unfortunate necessity but nonetheless the most appropriate fiscal policy.

Mr. Chairman, we have it now. We have tax increases, we have an unbalanced budget and we have deficit financing recognized as a proper policy to be pursued by this Government at this time.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, the bill now under consideration, H. R. 8224, has for its purpose the reduction of excise taxes and if enacted into law will be known as the Excise Tax Reduction Act of 1954.

In bringing this bill before Congress the Committee on Ways and Means does not claim that it is the product of a thorough study of excise taxation. It is rather a quick and incomplete approach to the problem and the incompleteness of this revision is due to two principal causes, namely, the serious need of the Federal Government for revenue and the shortness of time available for enactment of the bill into law if it is to become law before April 1 of this year. On April 1 the temporary excise-tax increases of the Revenue Act of 1951 will expire unless the expiration date of those increases is changed. Rather than undertake the impossible task of reviewing the entire

field of excise taxes the Committee on Ways and Means has developed this legislation to extend some relief over as broad a field as possible and establish a policy of placing a ceiling on all percentage excise-tax rates. Obviously this policy of establishing a ceiling can be carried further with the establishment of still lower ceilings by subsequent legislation whenever the Federal budget may justify such action. Most unfortunately it has been impossible within the time limits to give consideration to the complete repeal of any excise taxes and it has been impossible also to survey and take action on the adjustment of excise taxes that are imposed on any basis other than percentage of value.

The majority report of the Committee on Ways and Means states definitely that it is contemplated that the committee will review excise tax rates next year but it is my sincere hope that the reduction of some specific excise tax rates can be given consideration yet this session. The need for further relief from all taxes is very great and it is especially great in the field of excise taxes. Practically every Member of Congress can name at least one excise tax that, to his personal knowledge, imposes genuine hardship. I will not attempt to enumerate the excise taxes that should be reduced because the ability of Congress to extend such relief is largely dependent upon the condition of the Federal budget. Likewise the extent of relief and the number of items that may be given relief may vary from one item up to include all items covered by excise taxes.

In my own experience I opposed vigorously the imposition of the excise tax on fountain pens and mechanical pencils which was imposed for the first time in the 1951 Revenue Act and I am deeply sorry that it has been impossible to extend special consideration to that tax when it imposes such a burden upon so many of our people. The Members of Congress who were serving on the Committee on Ways and Means in 1951 will remember how strongly I opposed the imposition of the excise tax on fountain pens and mechanical pencils and I intend to continue my efforts to secure the repeal of that tax at the earliest possible date.

This is my 16th year in Congress and this is only the second time in all those years that I have been privileged to vote on a tax bill that will reduce taxes in any appreciable number of items. It is important to note that the other occasion was in the 80th Congress which you will remember was likewise a Republican Congress. Of course, the Democrats are going to claim credit for reductions based upon the expiration of some of their increases made in the 1951 act but I submit that those expiration dates could not possibly have been permitted to take effect if the Democrats themselves had been continued in power and the Truman budget had not been cut drastically by the Eisenhower administration. Let us tell the people of America that actual tax reduction can and will come only on the action of a Republican Congress on the budget and on the tax structure. It is amazing to realize that the highest Republican budget in

all history prior to the present fiscal year was 5 billion dollars. How far we can go in reducing the swollen Federal budgets of today will depend upon the work of Republicans rather than Democrats in shaping the Federal budgets of the coming years and the determination of the Republican Party to encourage and expand private enterprise and consumer independence rather than high Government spending and high taxes. We cannot go back to 5 billion dollar budgets but we can reduce the budget to a far lower level than the Democrats foisted upon us in the 10 years before they were removed from power by the voters in November 1952.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that our colleague, the gentleman from Michigan [Mr. DINGELL] may extend his remarks in the RECORD immediately following the remarks made by me.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, I shall vote for this bill—this so-called excise tax reduction bill, H. R. 8224, which we are now considering although it is really not an excise reduction bill at all.

It does reduce some excise taxes and these the Democrats on the committee supported. The excises which were reduced will, in a full year of operation, save the consuming public \$912 million a year.

However, this bid, as reported to the House, also raises certain other excise taxes by continuing indefinitely the rates which we in the Revenue Act of 1951 had provided were to terminate as of April 1, 1954. We opposed this action. This will cost the consuming public \$1,077,000,000 a year.

In other words, in the disguise of an excise reduction bill, we really have before us an excise tax increase bill. The net effect of the committee's action was to increase the burden on consumers by \$165 million. If you doubt this, I suggest that you look at pages 2 and 3 of the majority's report.

We appreciate the need for revenue under the present budgetary situation, although I cannot refrain from pointing out that this does not square with the Republican campaign promises of last fall.

The consuming public should not be saddled with these permanent excise tax increases. Making these increases permanent contrasts sharply with only a 1-year extension for the present corporate income tax rate which would be provided for in H. R. 8300, the Internal Revenue Code of 1954, which has already been reported out by the committee but not yet been brought to the floor.

It seems particularly inappropriate to increase excise taxes now in view of the fact that present economic conditions suggest that at the present time we need to encourage consumer spending. Instead of providing such encouragement, the Republicans seek to give business

bigger depreciation allowances and stockholders lower income taxes on their dividends.

The bill in its original form was introduced only the day before the committee met to consider it, and the committee spent only 1 day in considering it. While the majority was very gracious in permitting us to offer any amendments we chose, it was perfectly obvious that most of them already had made up their minds that the bill was to be reported out as introduced.

The idea presented in the bill is simple, namely, reduce all ad valorem excise tax rates above 10 percent to 10 percent. This is done without any consideration of the impact of the tax rates on the industries involved or upon consumers.

It provides for example, the same 10-percent rate for the hard-pressed telegraph industry as for the relatively affluent long-distance telephone business.

The tax on freight bills, for example, is left unchanged merely because it is presently below 10 percent. This tax was retained despite general recognition of the fact that this tax discriminates against shippers who are far from their markets.

It appears to me that this idea of a 10-percent across-the-board tax rate is a step in the direction of a flat-rate sales tax and a step away from our selective excise tax system. In other words, failing to gain any public support for a sales tax, it appears to me that the Republican Party is attempting to gain this end by the back door by making the rate a uniform 10 percent.

At some future date I suspect that the Republicans will favor increasing excise now below 10 percent to 10 percent. Moreover, as new excise taxes are proposed by the Republicans, I suspect that 10-percent rates will be suggested. This eventually will lead to a de facto sales tax.

I am in favor of lowering excise tax rates, but I believe this should be done only after careful consideration by the committee of various factors. I believe special attention should be given to lowering the excise taxes which bear most heavily on the low-income groups, such as the tax on costume jewelry and the tax on ladies' handbags.

I believe that special attention should be given to the taxes which are having a depressing effect on the industries involved, such as the tax on jewelry, furs, and on automobiles.

I believe that special attention should be given to the excise taxes which enter into the cost of doing business, such as the tax on freight which I have already mentioned and the tax on lubricating oil.

I believe that the committee should have also considered the many technical problems which have arisen in connection with the present excise-tax system. These problems are too numerous to more than mention a few. Needless to say they were also too numerous for the committee, in its haste, to consider.

The minority did bring up a few of these problems, but it is difficult to obtain adequate consideration when the majority's only interest is to dispose of the problems by negative votes as fast as the roll can be called.

The suggestions members of the minority made included the repeal of the taxes on watches selling for less than \$65 and alarm clocks selling for less than \$5; eliminating the tax on the first 50 cents of any admission charge; eliminating the tax on admissions to amusement parks and rides where the charge does not exceed 15 cents; repealing the tax on clothes ironers and driers; and exempting college and school athletic games from the admissions tax.

While these and the other amendments offered by the minority may not be the most deserving of the technical problems, in large part they represented changes proposed by the committee in 1950, when full consideration was given to these problems. Had more time been devoted to this excise bill, instead of making it the stepchild to the revenue revision bill, I am sure that many of the present discriminatory features of the present excises could have been eliminated. Never during my service on the Committee on Ways and Means has a major tax bill been given such short shift as the bill now before us.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GRANAHAN].

EXCISE TAX MEASURE IS A HALF MEASURE

Mr. GRANAHAN. Mr. Chairman, the bill before the House reenacting all of the excise taxes which were to expire April 1 and effecting reductions only in those excises other than alcoholic and tobacco products which were over 10 percent does some good and will, of course, be passed in approximately the present form. But I think we should recognize that it is only a half measure.

It does not get to the heart of the excise-tax problem. It does not even attempt to key changes in the excise taxes with economic conditions in the country today. True, it affords some relief to the furs, jewelry, luggage, cosmetics and the entertainment industries—relief we had previously voted in 1950 and which would have gone into effect then if the Korean war had not intervened to require vastly greater revenues for defense. And telephone taxes will come down some.

WHY NO CHANGE IN AUTOMOBILE EXCISES?

But although the report of the majority of the Ways and Means Committee declares that the changes made in the excises under this bill will stimulate business and employment, the refusal to take up or even consider any changes in excises at or below the 10 percent level means that there will be no change whatsoever in one of the biggest excise taxes the average consumer is called upon to pay—the tax on an automobile, which will remain at 10 percent. This is exceedingly high and exceedingly costly to the average family; it is \$200 on a \$2,000 car. Had the tax been allowed to go back to 7 percent, as the law presently provides for as of this coming April 1, it would mean a saving to the consumer of \$60 on that same automobile, plus a saving, too, on the interest charges in financing the car.

CAN WE EXPECT MORE BOOTLEGGING ACTIVITY?

The failure to even touch gasoline taxes or cigarette taxes—both of which were to come down on April 1 under the law we passed several years ago—will also hit a lot of consumers on items they consider important in their own budgets. As for the beer and liquor taxes, while everyone agrees they represent logical items for excise taxes, still and all, we want to be mighty careful we are not encouraging bootlegging by overtaxing legitimate products in this field. I understand there has been an alarming increase in the sale of untaxed beverages in this field, and I am afraid we can look for an increase in that illicit traffic if people's incomes go down and more people get thrown out of work.

What I am attempting to point up, Mr. Chairman, is that I do not think the committee majority has done a careful job at all in assessing the kind of excise taxes to recommend, but has just apparently closed its eyes and drawn a line and said if the tax is over 10 percent we will cut it to 10, but if it is less than 10 percent we will not touch it at all, and as for beer and liquor and cigarettes, and so on, we will not even look at what is happening in the way of bootlegging, and so on.

DEMOCRATS WIN ON DEMAND FOR CUTOFF DATE

I am glad that the majority party, after refusing in the committee to heed the proposal of the Democrats to put a time limit on these reenacted taxes, as we had always done in the past, has now decided after a caucus of all the Republican Members that they had better agree to something like that before the measure came upon the floor of the House. So the minority Members—the Democratic Members—scored on that.

I personally want to pay tribute to the Democratic members of the Ways and Means Committee for the united effort they put forward on this measure to make it a better bill, recognizing their responsibilities not only to the citizens and businesses of the Nation but to the needs of the Treasury. I think they have given a fine illustration of how an opposition party should operate in a democracy—showing a real sense of responsibility that was not always present when the Republicans were in the minority.

IT WAS ONLY CAMPAIGN ORATORY

It is too bad, however, that we have to rush important legislation like this through the House without hearings, without a sufficient study of the economic effects of the proposals, and with all these steamroller features.

As the Democratic members of the committee noted in their minority report, this is the third time the majority party has had to eat its 1952 campaign pledges by raising taxes above what they were scheduled to be. The revenues are, of course, necessary, but a lot of that campaign oratory turns out now not only to have been unnecessary but completely misleading—and I am sure that come November some of our friends on the Republican side will be a whole lot less extravagant with their promises than they were in 1952.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, I am greatly disappointed with this bill. There is no one in the House who stands higher among his colleagues than our friend, the chairman of the committee, Mr. REED, and surely no one in the House esteems him more than I do.

But I repeat, I am greatly disappointed with this bill. First, the administration is definitely pledged to tax relief and that means, as I believe the American people interpret it, substantial, and not merely colorable, or symbolic, tax relief. Secondly, this bill does not reduce, but definitely increases net excise taxes by about \$165 millions. Thirdly, the Congress should, in my humble opinion, assume its obligation to the rank and file of the people to lift heavy tax burdens from their backs.

I have said many times that this Nation is tax-ridden to an unbelievable extent. There is no country in the world carrying such heavy, discouraging tax burdens. Our taxes now are higher than they were in wartime. They are, for the most part, at the highest level in history. Their weight upon the people is tremendous. Their effect is repressive to initiative and endeavor—an impairment of our free-enterprise system. They press down the standards of living, not of the wealthy or capable, but of the poor, the ordinary men and women, and those least able to pay. There can be no doubt of the unhappy and detrimental consequences of high taxation. It is stultifying to business, oppressive to the rank-and-file American citizen.

What I hoped for from the committee was an altogether different approach to the question of tax reduction. I hoped practical consideration would be given to the situation of the automobile industry. That of itself would prove a boon and a great help to that business at this time. It would mean also employment for very many. And also to many purchasers.

I had hoped attention would be given to the extortionate alcoholic beverages taxes which are rapidly extending illicit and criminal manufacture and activities in many parts of the Nation. Taxes can be confiscatory. They can be discriminatory. They can be in effect a prohibition, in large part, of existing legitimate businesses authorized by law. There is an element of injustice and lack of fairness and equity in such tax machinery. It cannot be defended. And there are other very unsound excises too numerous to recount at this time.

If there had been a complete overhaul of these taxes in relation to revenue, and if substantial cuts were made in foreign expenditures, exclusive of those for defense, many undesirable, harmful excise levies could be repealed.

There is at least one good provision in the bill, that is, reduction of taxes on amusements and moving-picture theaters, but it does not go far enough. To save some of these distressed businesses the excise taxes should be taken off altogether, and that is my strong view.

Different provisions of this bill virtually cancel each other. The bill blows hot and cold in the same breath. One set of excise taxes is reduced while at the same time another set of Korean war excise taxes, scheduled for repeal by Congress April 1, are herewith continued. These amounts practically cancel each other and on the whole this type of legislation smacks of the arts of the magician who puts a rabbit in one hat and pulls it out of another.

I would like to have the chance to vote for a real motion to recommit on this bill but, apparently, under the rules of the House applicable to this tax measure, I will not have that privilege.

If the administration and the Congress would appropriately trim foreign expenditures, exclusive of those for the national defense, we would have no difficulty giving the American people and the American businessmen some of the tax relief to which they are entitled and must ultimately have, and in the not too distant future, if this economic system is to be kept vigorous, healthy, and dynamic.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. DONOHUE].

Mr. DONOHUE. Mr. Chairman, although this bill, H. R. 8224, to selectively grant excise tax reductions to 10 percent contains inequitable provisions, as well as being discriminatory, I am reluctantly impelled to support it. It obviously appears that we are permitted no choice by the leadership of the majority; it is either this bill to provide some much-needed tax relief or no relief at all.

I am supporting the measure because it is at least partially keeping faith with the people on the promise of the Congress to remove these so-called temporary and emergency excise and luxury taxes when vital need of them no longer exists. My reluctance in favoring the measure is because of my belief it does not go far enough, and it discriminates against many other items that should not be still considered luxuries and equitably ought to be afforded proportionate reductions.

Let it be made clear that any reduced revenue following these excise tax reductions will not in any way affect our continuing preparations for national defense and security. The military appropriation is, of course, a separate and distinct matter that can, when any necessity demands, be dealt with directly and immediately by the Congress.

One of the most compelling and forceful reasons for supporting this measure, inadequate as it is, arises out of the alarming current unemployment trend throughout the country. We all, I know, earnestly and sincerely hope this trend is short-lived and will be eliminated when the administration readjustment policies and programs are completed. Nevertheless, and without any partisanship, we would indeed be lax in our duty if we pretended that dangerous unemployment did not now exist. It is, therefore, imperative and timely that some effort must be made to increase consumer purchasing power, thereby stimulating production and helping to reverse the rising

unemployment rate. It is fundamental in the American system that our tax policy should, to the fullest possible extent, encourage a constant expanding economy. I greatly hope the Members of this body will remember that fundamental tax principle when we are called upon to consider higher tax exemptions on individual incomes next week.

Because these excise-tax-cut proposals will provide a certain increase in the general purchasing power of American consumers to induce higher production at a time when it is most needed to lower unemployment levels, I intend to vote in favor of it.

Let us also plan now, barring any national or world emergency, to expand this program of excise-tax reduction and elimination so that the entire American purchasing public and all affected industries will be treated alike with fairness and justice. We have abundantly fulfilled all our pledges to our foreign allies and friends; let us keep faith with our own people who have suffered too long from too much taxation.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, to citizens of the United States who for so long have labored under the increasing load of taxation, this day should offer a measure of renewed hope.

At long last, with shooting war no longer existing to justify extravagances and reckless spending, a gradual decline in demands for Government spending offers a ray of hope that the wage earners and the business people may once more begin to enjoy the fruits of their labors and the results of their capital. With the existing national debt, the unusually high level of fixed Federal commitments, and the potential decline in the national economy resulting from the transition from war to peace, no thinking citizen expects a tax bill based on prewar rates, individual or corporate.

Until the loose ends of former commitments are disposed of and the present level of Government activities are curtailed to conform to more normal standards, by taking \$13 billion from last year's budget our citizens are being relieved of increases in rates that otherwise would have been reflected in the assignments for this year.

This bill, reducing excise taxes, will insure a measure of relief for every citizen by reducing the tax on commodities that make up a considerable part of the daily purchases of every householder. The general tax bill that is soon to follow will prove again that this administration intends to follow its determined policy of removing tax burdens from the shoulders of the people just as rapidly as the economic condition of the country will permit.

I hope this measure is adopted.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. VURSELL] may extend his remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. VURSELL. Mr. Chairman, the action we are taking here today in reducing excise taxes—which might be called nuisance or sales taxes—by a total of a little under \$1 billion will be welcome news to millions of people throughout the Nation. It will give millions of people who daily shop in our stores throughout the Nation an opportunity to buy countless millions of articles at 10 percent less after April 1, when this bill goes into effect.

The people with large families in the lower tax brackets will be exempted by paying about one-half less in this sales tax, or excise tax, that has been on the books for a number of years.

I am glad that this is the second time in this session the Republican administration is bringing tax relief to its millions of overburdened taxpayers. We reduced income tax to those in the lower brackets about 10½ percent, with a lesser income-tax reduction to those in the higher brackets. Again, those in the lower brackets, earning up to \$5,000, get the greater bulk of the income-tax reduction. Those in the higher brackets get a lesser tax reduction. Yet, those in the highest brackets get only about a 2-percent reduction.

Nevertheless, for political purposes, some of the Democratic leaders have the audacity to say that both of these tax bills favor the well to do, or rich. Of course, they know, and those in the lower income-tax brackets know there is not a single ounce of reasoning that can be given which would tend to prove their claim.

In addition to that, we removed the excess-profits tax, which will help business to expand and make more jobs for millions of people throughout the Nation. And the reduction of the excise tax will cause less of that tax to be passed on in the cost of merchandise the little people buy, which gives them additional tax relief, as they do their daily buying.

In other words, this administration, to date, with the passage of this bill today, will give the taxpayers of the Nation a little over \$6 billion that they can keep and spend as they like, rather than to give it to the Government, to be given away to foreign nations and to be wasted as it has been done so many years in the past. And may I point out that next week we will have another tax-reduction bill before this House that will lower their taxes about \$1,200,000,000. When this bill is passed next week, it will assure a total of over \$7 billion this Republican administration will give to the people in this calendar year, that they can keep and spend as they like rather than for it to be swallowed up by big Government.

At this time I would like to point out that this is the second time in 22 years that we have had a Republican Congress, and the first time that we have had a Republican Congress and a Republican President.

EIGHTIETH REPUBLICAN CONGRESS

When we had a Republican Congress during 1947 and 1948, we reduced taxes by over \$5 billion, and we raised the exemptions from \$500 to \$600, and, in addition, we provided that those over 65

years of age should have double exemption. By raising these exemptions and reducing taxes in the 80th Republican Congress, we made it unnecessary for over 6,500,000 people in the lowest tax bracket to pay any taxes. And in the debates on that bill, they called it then, as they are calling this tax-reduction bill now, "A rich man's tax bill." Of course, they are not serious in these charges, and it would appear that the only reason for making them is not an attempt to deceive the people.

Now, what made it possible for the Republican Congress and this administration to reduce taxes when the Democrats had been busy for over 20 years raising taxes, and never once reduced them? It is very simple. We could not be justified in reducing taxes unless we first reduced governmental costs. Last year we cut the \$78,600,000,000 budget that President Truman said would all have to be spent, and which would have been spent had Stevenson been elected President. We cut out waste and extravagance and unnecessary spending, and reduced the Truman budget he left for President Eisenhower by \$14 billion. That made it possible for this Republican administration to give the millions of people about a \$7 billion tax reduction in the first session of this Congress. These tax reductions will allow the people to keep \$7 billion, most of which will be spent in their own way. Such spending will increase the buying power; will greatly stimulate business; will help to prevent a serious depression, and will furnish millions of jobs for the working people of America as business expands.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, now that our Republican friends have seen the wisdom and the soundness of the position taken by the Democratic Party and of the leadership of the Democratic Party in connection with this bill, and the committee is going to offer an amendment to extend for 1 year the temporary taxes that expire on April 1, there remains only one question that the House will pass upon when we emerge from the Committee of the Whole. That is the question of whether or not further relief will be given to amusement places in the matter of taxes on admissions, exempting those admissions up to the price of 50 cents which will be offered by the gentleman from Texas [Mr. LYLE] on his own responsibility. We know that the main beneficiaries would be the small moving picture houses of the country.

That field has been covered very effectively by my friend from Tennessee [Mr. COOPER] and also my friend from Louisiana [Mr. BOGGS].

We all know the history of last year when this House almost unanimously, if not so, passed a bill eliminating completely the tax on moving picture admissions. We know the history of that. The bill passed the Senate, but was vetoed by President Eisenhower. I feel confident that if the veto had been submitted to the Congress, probably more than two-thirds of the Members of this

House would have voted to override the veto.

It seems to me that a clear case was made out and while I am not going to offer a motion to recommit, I intend to vote for it. As I have announced heretofore and stated on the floor yesterday, I was going to offer the motion to recommit to provide for the temporary extension of certain excise taxes expiring on April 1 and the one in relation to admissions. Of course, the main part of my motion to recommit was the temporary extension. I could qualify in opposition to the bill if at that point in the consideration of the bill the House were faced with either a 1-year extension or a permanent extension, but I could not qualify in opposition to the bill in other respects on a motion to recommit.

I think the record should also show that the Republican leadership and the Republican Party in having this bill before us is in somewhat of a revolt against both President Eisenhower and Secretary Humphrey. We all know that President Eisenhower and Secretary Humphrey are opposed to the loss of revenue this bill provides for. However, the wisdom of the Republican leadership in the House is such that they think they can safely further unbalance the budget, and that is their responsibility. I see no reason why we Democrats in that particular respect should take any issue with them, and we are not doing so. However, the record should show that there is a further unbalancing of the budget of somewhat in excess of \$900 million, and the record should also show, whether right or wrong, that the Republican leadership in the House and the Republican Party in the House in reducing excise taxes to 10 percent are doing so against the urgent request and recommendation of their own leader in the White House, President Eisenhower, and of their own Secretary of the Treasury, Mr. Humphrey.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I wonder if the gentleman will call the attention of the Members to the fact that \$300 million of this relief goes to those using long-distance telephone calls, and that is of course mostly a business charge, with no relief, practically, or very little relief to home users of telephones. In other words, one-third of the relief in this bill goes to the relief of business, which uses long-distance calls.

Mr. McCORMACK. The gentleman's statement speaks for itself.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CURTIS of Nebraska. Those long-distance calls that are charged to business are a business deduction, so the Treasury does not get anything. The humble people I know never put in a long-distance call unless there is a death or sickness or some distress. The tax is 25 percent. It ought to come down to 10 percent.

Mr. McCORMACK. I hope my friend will remember those humble people he knows when the tax bill comes up next

week and we try to increase the exemption from \$600 to \$700.

Mr. CURTIS of Nebraska. We want those people to have jobs. In due time the Republicans will increase the exemption. It is something you people have never done.

Mr. McCORMACK. I am glad to note my friend says "in due time." "In due time" is a question of fact. With reference to past promises by Republicans I have never seen that "due time" arrive yet.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. This is really getting interesting now. I just took the floor to make a few philosophical observations because my real argument was taken away by the fact that the Republican Party is following the Democratic position.

I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The gentleman has made reference to the position of the President and the Secretary of the Treasury, Mr. Humphrey. Am I to assume from the gentleman's allusion to that position that it is the position the gentleman, too, supports, namely, that we should not be making any reduction in excise taxes in connection with this bill at this time?

Mr. McCORMACK. I have said that the Republican leadership and the Republican Party have taken issue with President Eisenhower and Secretary Humphrey. That part is correct, is it not?

Mr. BYRNES of Wisconsin. That is right. I was just wondering if you agreed with us or whether you agreed with the President.

Mr. McCORMACK. Then, I further said in the wisdom of the Republican leadership of the House, they have taken this action, and we, Democrats, have not made the decision that they can do it. You are not going to contest that, are you? Does the gentleman clearly understand my state of mind? Now the gentleman asked me a further question: Do I think tax reductions should take place? My answer is "No."

Mr. BYRNES of Wisconsin. Not even on the excise taxes?

Mr. McCORMACK. What is more important to the country than tax reduction, is greater national defense. If President Eisenhower had the courage to recommend more appropriations for national defense, the American people would welcome any sacrifices necessary for them to make in the form of extension of taxes or of additional taxes or otherwise. When I see promises of a reduced budget, and they are not carried out, when I see political insincerity, and I say that with a great mildness and a great calmness in my mind—

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will yield to the gentleman in just a moment, but not now.

Mr. CURTIS of Missouri. But this is a good point for the gentleman to yield, however.

Mr. McCORMACK. If I can get some more time, that will be fine. As I was

saying, when I see your party making the decision that you will give a tax reduction under these conditions, then I say that we, Democrats, are justified in taking the position that it should be fair and equitable. That is what we, Democrats, are undertaking to do. Now, the very fact that you accept the amendment, which was the main part of my motion to recommit, shows that you recognized it—whether because you desire to or because of practical considerations, I do not care—but by reason of your action there is no difficulty here so far as opposition to the bill is concerned, but the responsibility for what is in the bill rests upon the Republican party and not upon the Democratic Party.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CURTIS of Missouri. I was very interested in the gentleman's remarks about proposing this personal exemption where you said you were in favor of extending the personal exemption and increasing it \$100. You are not in favor of tax reduction according to your own statement; is that not correct?

Mr. McCORMACK. Oh, but the gentleman did not hear my last statement. He could not have heard my last statement, if he was listening.

Mr. CURTIS of Missouri. I was trying to listen to the gentleman, but the gentleman was talking pretty loud.

Mr. McCORMACK. I beg the gentleman's pardon.

Mr. CURTIS of Missouri. I say I was trying to listen, but the talking was so loud.

Mr. McCORMACK. The gentleman is very keen. What I did say was that the Republicans made the decision that there can be a tax reduction.

Mr. CURTIS of Missouri. I am not talking about that.

Mr. McCORMACK. We Democrats—

Mr. CURTIS of Missouri. I am talking about what you said and not what the Republicans said.

Mr. McCORMACK. We Democrats want to see that any reduction is fair and equitable.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COOPER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. CURTIS of Missouri. The reason I want to bring that up is this. Does the gentleman recall what the personal exemption was back in 1932, when the Republicans were in power?

Mr. McCORMACK. Oh, where was I 2 years ago? I cannot pick that out of the thin air, but I can discuss present conditions.

Mr. CURTIS of Missouri. I will tell you what it was.

Mr. McCORMACK. As I say, I can discuss present conditions.

Mr. CURTIS of Missouri. I will tell you this. It was \$2,500.

Mr. McCORMACK. Yes, and there were 12 to 15 million people unemployed.

Mr. CURTIS of Missouri. Yes.

Mr. McCORMACK. Certainly, you cannot get away from that, can you?

Mr. CURTIS of Missouri. Will the gentleman pay attention to the particular point that I was trying to put across?

Mr. McCORMACK. The gentleman from Missouri does not have to accept this little colloquy on the gentleman's ground. I have some maneuverability.

Mr. CURTIS of Missouri. I am trying to put it on your ground. You are talking about personal exemptions.

Mr. McCORMACK. With all due respect to my friend, I could never think that the gentleman from Missouri has any generosity for me.

Mr. CURTIS of Missouri. Oh, but I have.

Mr. McCORMACK. Oh, for JOHN McCORMACK as an individual person you have, but not on this occasion.

Mr. CURTIS of Missouri. Oh, yes; on this occasion too. I am trying to put the gentleman right so far as his remarks are concerned.

Mr. McCORMACK. My dear friend, you are too clever to think that I think that.

Mr. CURTIS of Missouri. I am not clever, no, I am just trying to be fair.

Mr. McCORMACK. I have about 4 minutes left and I want to try to further educate my dear Republican friends. As we have in the past few days saved you from yourselves, I am going to try to save you from yourselves next week, if you will permit me.

Mr. CURTIS of Missouri. Oh, yes.

Mr. McCORMACK. You have heard that saying about real friendship, one who is trying to save a friend from himself.

Mr. CURTIS of Missouri. That is what I am trying to do.

Mr. McCORMACK. I like you all personally; but as to parties, that is a different situation.

Now let us go to next week. There will be a motion to recommit, to increase the individual exemptions from \$600 to \$700, and to wipe out the action taken in relation to dividends. President Eisenhower has said that we can stand a \$3 billion deficit. So the question of deficit is something that has been determined. In his budget of 1955 he determined that question. We have a right to try to think about equity and justice to our people, if there is going to be a tax reduction. The Republicans have made that decision, and not the Democrats. We do hope it will be on fair and equitable grounds, if it is necessary to have a little further deficit.

The argument in relation to the individual income and the increase is well known, so I will not go into that. But what about dividends?

Now, you are back in your district this year and you are making a campaign. Somebody is running against you in the primary or in the election, if you are in a close district, and this provision goes through relating to dividends. The average person in my district makes anywhere from \$2,500 to \$5,000. I am not talking about the \$100,000 class. That is over my head, and it is over the head of the average person. The great bulk of Americans earn from \$3,000 to \$5,000, or \$6,000 to \$7,000, or in around there.

Now, take the man with a wife and 2 children, and he has \$3,000 earned income. He is out working with his hands or with his brain. He has to work to get that income. He has to pay \$60 tax. What does the same man who has an income of \$3,000 on dividends pay if this provision goes through? He will pay a tax of \$20. How can you or I justify ourselves and say to our people in our district who work, the farmer on the soil, the man who works with his hands or with his brains, and obtains an earned income, where he makes \$3,000 he will pay \$60 tax, and the other man who gets it from dividends pays only \$20 tax?

What about the man who earns \$4,000 with a wife and 2 children?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. McCORMACK. That man pays \$240 tax, and the man who gets his income from dividends will pay \$110 tax.

In other words, the man who earns \$4,000 income will pay over a hundred percent more than the man who does not earn it.

What about the \$5,000 man on earned income? He will pay \$420 a year tax, and the man with a dividend income of \$5,000, with the same family, will pay only \$200 tax.

How can I defend that? As a matter of conscience, how can I defend it? Never mind the political situation. As a matter of conscience I cannot defend that. That is the question that will be before you next week on a motion to recommit—increasing the individual exemptions from \$600 to \$700, and saving \$240 million the first year, and by the third year it will be between \$800 and \$900 million loss of revenue by wiping out this dividend provision.

I am very glad the Republican leadership and a sufficient number of members of the Republican Party saw the wisdom of following our leadership in connection with this bill on this occasion, and I strongly urge that you do the same thing next week.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Chairman, I take this time during the discussion of this proposed tax legislation to call to the attention of the Members of the House the fact that tobacco, and especially cigarettes, at the present time are carrying more than their share of the tax burden.

Statistics from the Department of Agriculture, the Department of Labor and the Internal Revenue Department will prove to every Member in this Congress that the Federal Government is receiving more profit from every pound of tobacco produced in this country than the farmers who toil from morning to night for months growing the tobacco.

I am certain that the President of the United States could not be acquainted

with this situation or he would not have recommended that an additional tax, placed on cigarettes for the duration of the Korean conflict, be made permanent. The income of the farmers of this country is far below the income of industry and other segments of our economy and it is rather difficult to understand why the Federal Government, which collects far more than one billion dollars annually in taxes from tobacco farmers alone, should want to place an additional tax burden on tobacco at this time.

The farmers in my District alone produce annually approximately 175 million pounds of tobacco and the Government collects approximately \$90 or \$100 million in taxes annually from the cigarettes produced from the tobacco grown in my district. This, in my opinion, seems to be unreasonable when the farmers are barely making a living from the fruits of their work in producing this product.

I hope that the members of the Ways and Means Committee and the Members of the House will seriously consider the problem confronting the tobacco farmer today and vote to send this bill back to the Ways and Means Committee with instructions that the additional war time excise tax placed on cigarettes be removed on April 1st along with the tax on a number of other items that have been recommended by the committee and the President.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, did you ever see something you needed and wanted to buy but changed your mind when you saw the discouraging tag marked: "Tax, 20 percent extra."

Of course, because the bite is too much.

In effect it is a ransom which reacts the wrong way on the American buying public which is more interested in a bargain instead of a commodity that is deliberately put into the luxury class by overtaxation.

The chilling result is: Limited sales, smaller production, minimum employment. The law of diminishing returns boomerangs right back on the Treasury's chin, because taxes that are too heavy are self-defeating.

The House Ways and Means Committee, reading storm signals on the economic barometer, has wisely decided to lower the excise tax ceiling from 20 to 10 percent for most items except those with rates that are scheduled to drop automatically on April 1.

This would apply to light bulbs, and tubes, pens, mechanical pencils, tickets to the movies, and all other admissions, luggage, club dues, photographic equipment, sporting goods and firearms, train, plane, and other transportation fares, jewelry, furs, long-distance telephone calls, and cosmetics.

Did you ever try to tell a woman that cosmetics are a luxury?

Would you prefer a more practical world in which women are as plain and drab as those in Russia?

And while we are on the question of practicality, I would like to point out that the committee recommended the continuance beyond April 1, of the ex-

cises on liquor, beer, wine, gasoline, cigarettes, and automobiles. These extensions will yield more than \$1 billion a year in revenue, or more than enough to offset the cut in taxes on the other items I have listed.

Liquors, smokes, gas, and cars are taxed to the limit as it is, and these industries, as well as the consuming public they serve, certainly have a strong case when it comes to asking for tax relief.

But as long as we cannot reduce all taxes suddenly and completely, I would prefer to make the first concessions to women and their indispensable cosmetics, for there is a power beyond reckoning.

And as long as the administration favors a policy of helping business first on the theory that tax relief will stimulate lower prices, stepped-up consumer demand, and high employment, I believe we should give the administration this opportunity to try out tax cutting as a stimulus to the economy.

Women control the purse strings of America.

Let us try out a tax bargain to see if it will bring them on a buying march into the stores and salesrooms that are supplied by industry and its workers.

The administration refuses to help the unemployed by any other means. Perhaps this, plus similar measures, will correct the downtrend. I sincerely hope so.

Therefore, in the interests of the national economy, I believe we should cut excise taxes.

This is a trial run, supported on the implied understanding that if this tax policy fails the Government will move swiftly and directly to provide relief for the unemployed.

They, as always, must be our first concern.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, these are very entertaining days. Someone just showed me a little note from the ticker out here that the Capitol police had been alerted for another assassination attempt here in Congress; so I suppose I had better warn you all to get ready to duck right quickly in the event anything breaks loose. But I am quite certain that is not going to happen and certainly we hope that it is not. That may evacuate the galleries—I do not know—but we will certainly hope that that does not happen either.

In any event, apropos of that, this is the people's Congress, and those who are here today can see that we contend about these things in good spirit. I suspect on occasion they can detect here and there that a little politics is being played. Now, I am not against that, because I play a little myself. I would, however, have to grant first place in ability in that regard to my very good friend from Boston. He started his learning a little earlier than I did and has progressed much more rapidly than I, although out in Indiana we play a little politics on occasion.

The gentleman from Massachusetts and others have talked here quite a bit about this motion to recommit; and they

say that now since the original motion they had suggested a day or so ago had been incorporated in an amendment which will be offered here very shortly that now their motion to recommit states the Democratic position.

Reference has been made to certain proposals that were made in the committee, and they were contained in the minority views filed by the Democratic members of the committee. The minority views begin on page 14 of the report, and I want to read this to you because you ought to have them in mind. Everyone knows of our solicitude for the motion-picture people, and knowing that they recognize that we tried to do something for them in the first session. We are really doing something for them in this session. You see, when you begin to take a look at what might be urged that would have a lot of appeal, just listen to this list. As I understand it, this is really the Democratic position:

Among the additional adjustments which we attempted to make in the current bill and which were defeated by the majority, were the following, many of which were also included in the revenue bill of 1950: to repeal the tax on handbags, billfolds, key cases—

And so forth. A lot of people think there should not be any tax on those.

Watches selling for less than \$65, and clocks and alarm clocks selling for less than \$5; household water heaters; mechanical pens and pencils; admissions; admissions where the admission price is 50 cents or under; admissions to moving-picture theaters where the admission price is 50 cents or under; admissions to amusement parks and rides where the admission price does not exceed 15 cents.

I do not know why they did not go down to 5 cents.

Household ironers and driers; communications; leased wire service furnished to shut-in students; local telephone calls; college and school athletic games; and bowling alleys, billiard and pool tables operated without charge by nonprofit organizations or governmental agencies. We also proposed to cut the tax on transportation of property in half.

You see, in the committee they had a lot of good things that would just appeal to many people. But do you know what you have done here? It means you have abandoned all those people, you are taking the responsibility for shutting them out because, apparently, you have the votes to carry any kind of a motion to recommit particularly if you had all that sugar in it. How can anyone vote against that? But you did not put that in your motion to recommit. I would like to know why.

As a matter of fact, it is said of us that we are taking the responsibility for tax cuts. The eminent gentleman from Massachusetts stated that we should not cut taxes at all. Does he speak for the Democratic side? Is that the position you take? If it is, then what sort of a phony arrangement is it to cut below what the Republican members of the committee had already arranged to cut on that list of items? Let us cut out the monkey business and get down to the issue before us.

You talk about playing politics? What we are trying to do in this bill is to pro-

vide fair treatment for everybody. It does not go as far as everyone would like. A gentleman from one of the Carolinas asked: Why did you not take the tax off tobacco? Somebody else: Why did you not take it off automobiles, or why did you not take it off on some of these items or cut them down some more?

But, you know, here is the situation. This bill is so good that you just had trouble finding anyone to qualify over there to offer the motion to recommit who would say he is against the bill. JOHN LYLE, of Texas, God bless him, I understand has elected not to come back to this great body. I say that I shall miss him because I think he is one of the greatest Members I have known here in my time. JOHN has had a little fun with me in the last day or two. I know he would not mind my having a little fun with him and others over there on this occasion. But they had to get JOHN LYLE to offer this motion to recommit. Very likely he is against the bill altogether. But I wonder how many of you would stand up and qualify to offer the motion to recommit by saying you are against the bill.

I do not know whether we are going to call the roll or not. It does not make much difference. Then JOHN LYLE would have to vote against it. He would not have to, but he probably would. Everybody else would vote for it. That is about the best evidence I have ever heard that it is a good bill.

It is a Republican bill. The Republican members of the Ways and Means Committee worked it out. So instead of relying on anything like a motion to recommit, what you are doing is getting in with us. You are taking our bill and you are going to vote for it because it is a good bill.

The gentleman from Massachusetts chides us because, he says, we are bucking the administration. You take a look at this entire tax program as it is unfolded this week and as it will be unfolded next week, and overall the administration is not finding very much fault with us in respect to the manner in which we are handling taxes. So do not try to disturb us there.

The gentleman from Massachusetts, on one of his rare occasions, shows here, as he says, great solicitude for the deficit. This is all in good fun; we know about this. So now his solicitude for the balancing of the budget, as I say, is a rather new-found solicitude. I am glad to have him come up to the altar here these days. He says we should not cut taxes, but since we have assumed the responsibility, why, he is going along with us. I am glad to know we have the responsibility and, folks, we have, and I am not afraid of it, and I do not believe anybody on my side is. But let me show you how well he is doing about it. You see, when we cut these admissions from 20 to 10 percent we cut the revenue—so the Treasury tells us—from \$200 million to \$100 million. Now that is rather far-reaching relief, is it not? That is pretty fair. So the gentleman from Massachusetts is going to help us out from having a deficit by coming along with a motion to recommit to have us lose \$40

million more revenue. He has got one even better than that for next week, and I want to address my remarks at this point to the responsible Members on my side of the aisle, people who believe that there is such a thing as fiscal responsibility, and that there come times when we ought to quit playing politics and have a real concern for the welfare of the country. Next week he says the motion to recommit is going to be tied to an attempt to raise exemptions from \$600 to \$700. In connection with that you are going to move to strike out the provision that provides for a beginning in respect to double taxation on dividends. You are going to trade a horse for a rabbit there, because such a motion, if it prevails, would lose us an additional \$2.4 billion of revenue and would avoid the loss of \$230 million in revenue. Thus the final result, may I say to my Democratic and Republican friends alike, would be to put the Government \$2 billion more in the red. Now how do you justify that? Moreover, it is obvious that the gentleman must approve of the other provisions of the bill which will come before us, since he is apparently going to let them stand in his motion to recommit. You people who sit on the right side of the aisle have within 2 or 3 votes of as many as we have got. With our Members still in the hospital, I would guess perhaps we have been outnumbered. I do not know when they will come back, and we have some people sick—but you carry a responsibility in this matter that you cannot shrug off just because the Speaker happens to be a Republican and the leader happens to be a Republican. And I challenge you to stand up and meet the issue.

Now, let us get back to this further situation. I said this was a good bill, and it is. Last year we had a bill the committee reported out and passed to remove entirely the tax on movie admissions. I voted for it, but the President, in what I believe to be his wisdom, decided that in the circumstances he ought to veto the bill. He took that position and he so explained it because he thought he had to maintain a position. On all sides we have been beset by all manner of people in all sorts of industries and occupations, even as you Democrats have outlined them there in your minority views, who have urged upon us the complete removal of excise taxes, sales taxes, if you please, because they said their business was being strangled and they were being driven to the wall. So, the President took the position that these movie admissions, along with all these other things, should be considered in a general, comprehensive bill to the end that there be no discrimination and that everybody alike be treated fairly and squarely. That is exactly what the members of this great committee have undertaken to do. They have attempted to treat these people alike, and in my opinion they have treated them alike. The appeal of many of our folks in certain business areas to be completely relieved cannot be ignored.

But may I say that in respect to these articles, such as household goods, ladies' handbags, and cosmetics, you can find a lot of people who think that they, too,

should be completely relieved. But, Mr. Chairman, we are losing around a billion dollars in these excise-tax reductions. It is a good bill. We ought to support it. That money will go right into the pockets of the taxpayers who will want to spend that money for those things they would like to have. It will help business generally up and down the line. So I say it is a good bill and I am just sorry that my friends on the Democratic side have seen fit to offer this motion to recommit. They probably think it is putting someone in the hole. Maybe it is. But if it puts me in the hole, I am glad to get in it, because no one can challenge my sincerity of conviction, which I had a long time ago, to do something for the very people for whom you seek to do more here. We demonstrated that in the past. We demonstrate it here again today.

So I say this motion to recommit should be voted down. It does not make any difference whether we argue that by failing to include these other things you take on yourselves the final responsibility for the form of this excise-tax reduction bill, because really you do. But if you say it is our responsibility, then let us carry the responsibility and vote against this motion to recommit.

I do not know what is going to happen to this bill when it gets over into the other body. I hope that it has there the same courageous, fair, nondiscriminating treatment that it has had in this body. I have no reason to believe it will not. But why should we start here by setting a pattern to open the door to all manner of amendments and finally wrecking and shattering this bill so that possibly the people we are trying to help will finally receive no help at all?

Let us stand up and be counted and vote down this motion to recommit.

MR. BENDER. Mr. Chairman, I wish to commend the Committee on Ways and Means and particularly the chairman, my good friend, Congressman DAN REED, of New York, and the ranking majority member, my fellow Ohioan, Congressman TOM JENKINS, for the outstanding job performed in bringing this bill to the floor of the House of Representatives. H. R. 8224 includes the provisions of the bill H. R. 7618, which I introduced some weeks ago, providing for cuts of excise taxes on telephones, long distance calls, buses, railroads, and airplane transportation. These two types of excise taxes which my bill embraced were those which the general public disliked most in a nationwide poll conducted in the American Institute of Public Opinion. The passage of H. R. 8224 will result in putting more money in the pockets of the taxpayers and thereby strengthening business and contributing to our general economy. This Republican Congress promised to reduce taxes. Today's action is another evidence of performance. I have no idea what the motion promoted by the minority will contain, but I am sure after the defeat of the motion, not a single vote in this House will be cast against this meritorious legislation.

THE CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendments are in

order to the bill, except those offered by direction of the Committee on Ways and Means.

Mr. REED of New York. Mr. Chairman, by direction of the Committee on Ways and Means, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. REED of New York: Page 11, strike out line 9 and all that follows through line 13 on page 13 and insert in lieu thereof the following:

"TITLE VI—ONE-YEAR EXTENSION OF CERTAIN EXCISE TAX RATES

"SEC. 601. One-year extension of certain excise tax rates.

"(a) Extension of rates: The following provisions are hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955':

"(1) The last sentence of section 2450 (relating to tax on diesel fuel).

"(2) The second sentence of section 2800 (a) (1) (relating to distilled spirits generally).

"(3) The last sentence of section 2800 (a) (3) (relating to imported perfumes containing distilled spirits).

"(4) Section 3030 (a) (1) (A) (relating to tax on still wines).

"(5) Section 3030 (a) (2) (relating to tax on sparkling wines, liqueurs, and cordials).

"(6) The second sentence of section 3150 (a) (relating to tax on fermented malt liquors).

"(7) The second sentence of section 3412 (a) (relating to tax on gasoline).

"(8) Section 2000 (c) (2) (relating to tax on cigarettes).

"(9) Section 3403 (relating to tax on automobiles, etc.).

"(b) Technical amendments:

"(1) Section 1656 (relating to floor stocks refunds on distilled spirits, wines and cordials, and fermented malt liquors) is hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955', and by striking out 'May 1, 1954' and inserting in lieu thereof 'May 1, 1955'.

"(2) Section 3412 (g) (relating to floor stocks refunds on gasoline) is hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955', and by striking out 'July 1, 1954' and inserting in lieu thereof 'July 1, 1955'.

"(3) Section 2000 (g) (relating to floor stocks refunds on cigarettes) is hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955', and by striking out 'July 1, 1954' and inserting in lieu thereof 'July 1, 1955'.

"(4) Section 320 (1) (5) (relating to drawback in the case of distilled spirits used in the manufacture of certain nonbeverage products) is hereby amended by striking out 'March 31, 1954' and inserting in lieu thereof 'March 31, 1955'.

"(5) Section 497 of the Revenue Act of 1951 (relating to refunds on articles from foreign trade zones) is hereby amended by striking out 'April 1, 1954' each place it appears and inserting in lieu thereof 'April 1, 1955'.

"(c) Floor stocks refunds on automobiles, etc.: Section 3403 (relating to tax on automobiles, etc.) is hereby amended by adding at the end thereof the following new subsection:

"(f) Floor stocks refunds:

"(1) Where before April 1, 1955, any article subject to the tax imposed by subsection (a) or (b) has been sold by the manufacturer, producer, or importer, and is on such date held by a dealer and has not been used

and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after April 1, 1955.

"(2) As used in this subsection, the term "dealer" includes a wholesaler, jobber, distributor, or retailer. For the purposes of this subsection, an article shall be considered as "held by a dealer" if title thereto has passed to such dealer (whether or not delivery to him has been made), and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

"(3) Under regulations prescribed by the Secretary, the refund provided by this subsection may be made to the dealer instead of the manufacturer, producer, or importer, if the manufacturer, producer, or importer waives any claim for the amount so to be refunded.

"(4) When the credit or refund provided for in this subsection has been allowed to the manufacturer, producer, or importer, he shall remit to the dealer to whom was sold the article in respect of which the credit or refund was allowed so much of that amount of the tax corresponding to the credit or refund as was included in or added to the price paid or agreed to be paid by the dealer.

"(5) No person shall be entitled to credit or refund under this subsection unless (A) he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed under this subsection, and (b) claim for such credit or refund is filed with the Secretary before July 1, 1955.

"(6) All provisions of law, including penalties, applicable in respect of the tax imposed under subsections (a) and (b) shall, insofar as applicable and not inconsistent with this subsection, be applicable in respect of the credits and refunds provided for in this subsection."

The CHAIRMAN. Under the rules of the House, 5 minutes of debate are permitted on each side.

The Chair recognizes the gentleman from New York [Mr. REED] for 5 minutes.

Mr. REED of New York. Mr. Chairman, the amendment which I have offered does two things:

First, it provides that the extension of the present tax rates on distilled spirits, wine, beer, cigarettes, gasoline, automobiles, trucks, buses, motorcycles, parts and accessories, and diesel fuel be for 1 year only. Under the amendment the present rates will expire April 1, 1955.

Second, The amendment provides for floor stock tax refunds in the case of automobiles, trucks, buses, and motorcycles. This will prevent dealers being stuck with the higher tax on vehicles on hand and unsold after the April 1 termination date.

The committee has instructed its staff to study the possibility of extending floor stock refunds to other excise taxes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. HALLECK. Of course, it should be understood that the amendment which the gentleman has offered for the committee does not involve any loss of revenue.

Mr. REED of New York. None whatever.

Mr. COOPER. Mr. Chairman, I requested recognition to speak on this

amendment, but I most certainly am not in opposition to the amendment. The amendment as presented here was unanimously adopted by the Committee on Ways and Means. It consists of two parts. The first part limits the extension of these excise taxes to 1 year from the present expiration date of April 1 of this year. That is the position that has been taken by the Democratic Members of the Committee on Ways and Means all the way through and conforms to the motion that we made in the committee during the consideration of the bill. The second part of the amendment relates to a refund of the floor stock tax on automobiles, trucks, and motorcycles. That is fair and the Democratic members of the committee supported that provision in the consideration of the bill this morning in our committee. So those of us on the minority side are strongly supporting the committee amendment which in the first part conforms to the position we have taken all the way through, and the second part of which contains a provision which is eminently fair, and which also received our support.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from New York [Mr. REED].

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. H. CARL ANDERSEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8224) to reduce excise taxes, and for other purposes, pursuant to House Resolution 465, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. LYLE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LYLE. I am, sir.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LYLE moves to recommit the bill, H. R. 8224, to the Committee on Ways and Means with instructions to report the same back to the House forthwith with amendments as follows:

Page 3, line 8, insert the following before "For": "Section 1700 (a) (1) (relating to tax on single or season tickets and subscriptions) is hereby amended by striking out the second sentence and inserting in lieu thereof the following: 'No tax shall be imposed on the amount paid for admission if the amount paid is 50 cents or less.'"

And in line 20, strike out "(a) and (b)" and insert "(a), (b), and (d)."

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. LYLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 200, nays 213, not voting 21, as follows:

[Roll No. 28]

YEAS—200

Abbutt
Abernethy
Addonizio
Albert
Alexander
Andrews
Ashmore
Aspinall
Bailey
Earden
Barrett
Bennett, Fla.
Bentsen
Blatnik
Boggs
Boland
Bolling
Bonner
Bowler
Brooks, La.
Brooks, Tex.
Brown, Ga.
Buchanan
Buckley
Burleson
Byrd
Byrne, Pa.
Camp
Campbell
Cannon
Carlyle
Carnahan
Celler
Chudoff
Colmer
Condon
Cooley
Cooper
Cresser
Davis, Ga.
Dawson, Ill.
Deane
Delaney
Dempsey
Dies
Dingell
Dodd
Dollinger
Donohue
Donovan
Dorn, S. C.
Dowdy
Doyle
Durham
Eberharther
Edmondson
Elliott
Engle
Evins
Feighan
Fernandez
Fine
Fisher
Fogarty
Forand
Fountain
Frazier

Friedel
Garmatz
Gary
Gathings
Gentry
Gordon
Granahan
Grant
Green
Gregory
Hagen, Calif.
Haley
Hardy
Harris
Harrison, Va.
Hart
Hays, Ark.
Hays, Ohio
Heller
Herlong
Holtzman
Howell
Ikard
Jarman
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karsten, Mo.
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
Kolmer
Kirwan
K'win
Kluczynski
Landrum
Lane
Lanham
Lantaff
Lesinski
Long
Lucas
Lyle
McCarthy
McCormack
McMillan
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon
Marshall
Matthews
Metcalfe
Miller, Calif.
Miller, Kans.
Mills
Mollohan
Morgan
Morrison
Moss
Moulder
Multer
Murray

Natcher
Norrell
O'Brien, Mich.
O'Brien, N. Y.
O'Hara, Ill.
O'Neill
Passman
Patman
Patten
Perkins
Pfost
Philbin
Plicher
Poage
Polk
Powell
Preston
Price
Priest
Rabaut
Rayburn
Regan
Rhodes, Pa.
Richards
Riley
Robeson, Va.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Secret
Selden
Shelley
Sheppard
Shuford
Sleminski
Sikes
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Sullivan
Teague
Thomas
Thompson, La.
Thompson, Tex.
Thornberry
Trimble
Tuck
Vinson
Walter
Watts
Wheeler
Whitten
Wickersham
Wier
Williams, Miss.
Williams, N. J.
Willis
Winstead
Yates
Yorty
Zablocki

NAYS—213

Adair
Allen, Calif.
Allen, Ill.
Andersen
H. Carl
Andresen
August H.
Angell
Arends
Auchincloss
Ayres
Baker
Bates
Beamer
Becker
Bender
Bennett, Mich.
Berry
Betts

Bishop
Bolton
Frances P.
Bolton
Oliver P.
Bonin
Bosch
Bow
Boykin
Bramblett
Bray
Brown, Ohio
Brownson
Bryhill
Budge
Busbey
Bush
Byrnes, Wis.
Canfield

Carrigg
Cederberg
Chatham
Chenoweth
Chipperfield
Church
Clevenger
Cole, Mo.
Cole, N. Y.
Coon
Corbett
Cotton
Coudert
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Curtis, Nebr.

Dague
Davis, Wis.
Dawson, Utah
Derounian
Devereux
Dolliver
Dondero
Dorn, N. Y.
Ellsworth
Fenton
Fino
Ford
Frelinghuysen
Fulton
Gamble
Gavin
George
Golden
Goodwin
Graham
Gross
Gubser
Gwinn
Hagen, Minn.
Hale
Halleck
Hand
Harden
Harrison, Nebr.
Harrison, Wyo.
Harvey
Heseltun
Hess
Hestand
Hill
Hillelson
Hillings
Hinshaw
Hoever
Hoffman, Ill.
Hoffman, Mich.
Homes
Holt
Hope
Horan
Hosmer
Hruska
Hunter
Hyde
Jackson
James
Javits
Jenkins
Johnson, Calif.

Jonas, Ill.
Jonas, N. C.
Judd
Kean
Kearney
Kearns
Keating
Kersten, Wis.
Kilburn
King, Pa.
Knox
Laird
Latham
LeCompte
Lipscomb
Lowe
McConnell
McCulloch
McDonough
McGregor
McIntire
McVey
Mack, Wash.
Maillard
Martin, Iowa
Mason
Meador
Merrill
Merrow
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Morano
Mumma
Neal
Nelson
Nicholson
Norblad
Oakman
O'Hara, Minn.
O'Konski
Osmers
Ostertag
Patterson
Pelly
Phillips
Pillion
Poff
Prouty
Radwan
Ray
Reams
Reece, Tenn.
Reed, Ill.

Reed, N. Y.
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robison, Ky.
Rogers, Mass.
Sadlak
St. George
Saylor
Schenck
Scherer
Scott
Scrivner
Scudder
Seely-Brown
Shafer
Sheehan
Short
Simpson, Ill.
Simpson, Pa.
Small
Smith, Kans.
Smith, Wis.
Springer
Stauffer
Stringfellow
Taber
Talle
Taylor
Thompson, Mich.
Tollefson
Utt
Van Pelt
Van Zandt
Velde
Vorys
Vursell
Wainwright
Wampler
Warburton
Westland
Wharton
Widnall
Wigglesworth
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Withrow
Wolcott
Wolverton
Young
Younger

NOT VOTING—21

Battle
Belcher
Bentley
Burdick
Chelf
Clardy
Davis, Tenn.

D'Ewart
Fallon
Forrester
Hébert
Hollifield
Jensen
Krueger

O'Brien, Ill.
Rains
Rivers
Roberts
Sutton
Welchel
Wilson, Tex.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Bentley against.
Mr. Forrester for, with Mr. Clardy against.
Mr. O'Brien of Illinois for, with Mr. Welch against.

Mr. Wilson of Texas for, with Mr. Krueger against.

Mr. Battle for, with Mr. Belcher against.

Until further notice:

Mr. Jensen with Mr. Fallon.
Mr. Burdick with Mr. Hollifield.
Mr. D'Ewart with Mr. Rivers.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. COOPER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 411, nays 3, not voting 20, as follows:

[Roll No. 29]

YEAS—411

Abbutt
Abernethy
Adair
Addonizio
Albert

Alexander
Allen, Calif.
Allen, Ill.
Andersen
H. Carl

Andresen
August H.
Angell
Arends

Ashmore
Aspinall
Auchincloss
Ayres
Bailey
Baker
Barden
Barrett
Bates
Battle
Beamer
Becker
Belcher
Bender
Bennett, Fla.
Bennett, Mich.
Bentsen
Berry
Beits
Bishop
Blatnik
Boggs
Boland
Bolling
Bolton
Bolton, Frances P.
Bonin
Bonner
Bosch
Bow
Bowler
Boykin
Bramblett
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Brownson
Bryhill
Buchanan
Buckley
Budge
Burleson
Busbey
Bush
Byrd
Byrne, Pa.
Byrnes, Wis.
Camp
Campbell
Canfield
Cannon
Carlyle
Carnahan
Carrigg
Cederberg
Celler
Chatham
Chenoweth
Chipperfield
Chudoff
Church
Clevenger
Cole, Mo.
Cole, N. Y.
Colmer
Condon
Cooley
Coon
Cooper
Corbett
Cotton
Coudert
Cretella
Cresser
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Curtis, Nebr.
Dague
Davis, Ga.
Davis, Wis.
Dawson, Ill.
Dawson, Utah
Deane
Delaney
Dempsey
Derounian
Devereux
D'Ewart
Dies
Dingell
Dolliver
Dondero
Donohue
Donovan
Dorn, N. Y.
Dorn, S. C.
Dowdy
Doyle

Durham
Eberharther
Edmondson
Elliott
Ellsworth
Engle
Evins
Feighan
Fenton
Fernandez
Fine
Fisher
Fogarty
Forand
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gamble
Garmatz
Gary
Gathings
Gentry
George
Golden
Goodwin
Gordon
Graham
Granahan
Grant
Green
Gregory
Gross
Gubser
Gwinn
Hagen, Calif.
Hagen, Minn.
Hale
Haley
Halleck
Hand
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harrison, Wyo.
Hart
Harvey
Hays, Ark.
Hays, Ohio
Heller
Herlong
Heseltun
Hess
Hestand
Hill
Hillelson
Hillings
Hinshaw
Hoever
Hoffman, Ill.
Hoffman, Mich.
Holmes
Holt
Holtzman
Hope
Horan
Hosmer
Howell
Hruska
Hunter
Hyde
Ikard
Jackson
James
Jarman
Javits
Jenkins
Johnson, Calif.
Johnson, Wis.
Jonas, Ill.
Jonas, N. C.
Jones, Ala.
Jones, N. C.
Judd
Karsten, Mo.
Kean
Kearney
Kearns
Keating
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
King, Calif.
King, Pa.
Kirwan
Klein

Kluczynski
Knox
Laird
Landrum
Lane
Lanham
Lantaff
Latham
LeCompte
Lesinski
Lipscomb
Long
Lowe
Lucas
McCarthy
McCormack
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Maillard
Martin, Iowa
Mason
Matthews
Meador
Merrill
Merrow
Metcalfe
Miller, Calif.
Miller, Kans.
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Mollohan
Morano
Morgan
Morrison
Moss
Moulder
Multer
Murray
Natcher
Neal
Nelson
Nicholson
Norblad
Norrell
Oakman
O'Brien, Mich.
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Osmers
Ostertag
Passman
Patman
Patten
Perkins
Pfost
Philbin
Phillips
Plicher
Pillion
Poage
Poff
Polk
Powell
Preston
Price
Priest
Prouty
Rabaut
Radwan
Ray
Rayburn
Reams
Reece, Tenn.
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Regan
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Riley
Robeson, Va.
Robison, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.

Rogers, Mass. Smith, Wis. Walter
Rogers, Tex. Spence Wampler
Rooney Springer Warburton
Roosevelt Staggars Watts
Sadlak Stauffer Westland
St. George Steed Wharton
Saylor Stringfellow Wheeler
Schenck Sullivan Whitten
Scherer Taber Wickersham
Scott Taille Widnall
Scrivner Taylor Wier
Seudder Teague Wigglesworth
Secrest Thomas Williams, Miss.
Seely-Brown Thompson, La. Williams, N. J.
Selden Thompson, Mich. Williams, N. Y.
Shafer Thompson, Tex. Willis
Sheehan Thornberry Wilson, Calif.
Shelley Tolleson Wilson, Ind.
Sheppard Trimble Winstead
Short Trumble Withrow
Shuford Tuck Wolcott
Sieminski Utt Wolverton
Sikes Van Pelt Yates
Simpson, Ill. Van Zandt Yorty
Simpson, Pa. Velde Young
Small Vinson Younger
Smith, Kans. Vorys Zablocki
Smith, Miss. Vursell
Smith, Va. Wainwright

NAYS—3

Jones, Mo. Lyle Marshall

NOT VOTING—20

Battle Fallon Rains
Belcher Forrester Rivers
Bentley Hébert Roberts
Burdick Hollifield Sutton
Chelf Jensen Welchel
Clardy Krueger Wilson, Tex.
Davis, Tenn. O'Brien, Ill.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Bentley with Mr. O'Brien of Illinois.
Mr. Jensen with Mr. Hébert.
Mr. Krueger with Mr. Forrester.
Mr. Welchel with Mr. Wilson of Texas.
Mr. Burdick with Mr. Rivers.
Mr. Clardy with Mr. Fallon.
Mr. Belcher with Mr. Hollifield.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend or revise and extend their remarks on the bill H. R. 8224 just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of March 11, 1954:

TAXES AND A FREE ECONOMY

Two tax bills have emerged from the House Ways and Means Committee this week. Since they differ enormously in character and scope, it is important, for purposes of avoiding possible confusion, that they be clearly identified at the outset.

One of these bills, which is sponsored by Representative REED and which was passed by the House of Representatives yesterday, is concerned entirely with excise taxes. It is concerned, to be more specific, with the question of what should be done about the top layer of emergency excise taxes passed under the previous administration in 1951 as part of the jerry-built program of financing the rearmament effort.

The second of the two tax measures is much more comprehensive and fundamentally more important. Like its companion bill (which it preceded by a day) it touches

the issue of tax relief, but it goes far beyond such immediate considerations. As the accompanying report said of this 875-page document:

"This bill is a long-overdue reform measure which is vitally necessary regardless of momentary conditions and should not be confused with other measures which may be, or might become, appropriate in the light of a particular short-run situation."

Since this measure includes all but 1 or 2 of the proposals contained in the tax message of the President in January, it has already, in effect, been under fire from the political opposition for some time past. The burden of the criticism has been that it stresses relief to business at the expense of relief to the individual. It would be unfortunate if this fantastically oversimplified and distorted picture of the Eisenhower tax program should prevail. Criticism of this kind stems essentially from the philosophy, only too widely encouraged in recent years, which was aptly described by Benjamin Fairless in a recent address. This is the philosophy that "anything which is bad for business is automatically good for the country."

The individual taxpayer has, of course, already benefited under the administration's budgetary and economic program from a stable level of living costs and from a 10-percent reduction in his income tax. As a matter of fact, in the omnibus bill just reported out, while the reforms proposed will cost an estimated \$1.4 billion in revenues in fiscal returns in 1955, it is corporate enterprise that is being asked to underwrite this. That is so because while the measure provides relief both for the individual, the entrepreneur, and the corporation, it proposes to continue for another year the 52 percent corporate tax rate, scheduled to expire at this time and which is counted upon to bring in \$2 billion between now and April 1, 1954.

But in financing this legislation the administration has not done so with the idea that the relief granted business was in conflict with that granted the individual, or vice versa. It has asked, first, what are the demonstrable inequities that should be corrected? At what points can fiscal practice be reformed in such a way as to encourage investment—not for its own sake, but in the interest of creating jobs, which are the key to prosperity?

Perhaps the best illustration of this approach is the proposal to give the businessman and the farmer more leeway in writing off the cost of his plant and machinery. At present, companies are required to deduct their depreciation allowances in equal annual installments over the expected life of the facility. What the administration measure would do would be to permit the businessman or the farmer to deduct a greater part of the total in the years when his machinery was new. The theory is that under this arrangement he would be encouraged to spend more for new and better equipment and to purchase new and better products at lower cost.

Provisions such as this don't have the simple handout appeal of proposals for increasing individual tax exemptions. But they reflect the economic philosophy that alone can assure continued growth of our private enterprise economy. That philosophy is that the problems of our economy are not going to be solved by attacking them from the side of the consumer alone—but they must be attacked from the consumer side and the investor side at one and the same time.

CONSOLIDATION OF CERTAIN DISTRICT OFFICES OF THE VETERANS' ADMINISTRATION

Mr. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise

and extend my remarks, and to include a letter from the Administrator of Veterans' Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have asked to have this letter inserted in the RECORD because the Administrator of Veterans' Affairs has announced the consolidation of the Atlanta district office with the Philadelphia district office, and the Dallas office with the Denver office. I do this because it is of concern to the Members from the States affected.

(The letter referred to follows:)

VETERANS' ADMINISTRATION,
Washington, D. C., March 10, 1954.
Hon. EDITH NOURSE ROGERS,
Chairman, Committee on Veterans' Affairs, House of Representatives,
Washington, D. C.

DEAR MRS. ROGERS: After careful consideration it has been determined that certain economies in administrative costs without impairment of service can be accomplished by further consolidation of Veterans' Administration district offices. Two years ago 11 of the 13 original district offices were consolidated at 3 locations—Philadelphia, St. Paul, and Denver. Only two offices, Dallas and Atlanta, were left undisturbed at that time, because rent-free Government-owned space was not obtainable into which these two offices could be merged.

While the original plan of consolidation provided for four district offices, I am convinced that veterans holding national service life insurance policies can be served equally as well from fewer offices. Therefore, the Dallas and Denver offices will be merged at Denver and the Atlanta and Philadelphia offices at Philadelphia where Government-owned space is available. Attached are statements showing estimated annual savings that will result from these consolidations and an estimate of the one-time cost of making the moves. There is also attached a statement for public release.

It is not possible to escape concern for the personnel that will be affected by moving of operations from one location to another, and the consolidation of two operating entities into one. Those most affected will be in the higher grades in which determination as to retention of employees occupying similar positions in two offices where only one such position will exist after merger will be made in accordance with civil service reduction-in-force rules. Employees in grades GS-5 and below, with very few exceptions, will be offered positions of equal grades at the new location. All transfers will be made at Government expense. Even though these moves will adversely affect a number of employees, it is believed that the resulting reduction in operating costs fully justifies them.

Sincerely yours,

H. V. HIGLEY,
Administrator.

Estimated savings and costs associated with consolidation of the Dallas and Denver offices at Denver

ANNUAL SAVINGS FROM CONSOLIDATION	
Personal services (minimum of 115 man-years).....	\$491,109
Communication services.....	5,000
Rents and utility services:	
Savings at Dallas (GSA estimate)	\$125,000
Less additional 33,000 square feet required in Denver at \$2 per square foot.....	66,000
	59,000
Total estimated annual savings.....	555,109

Estimated savings and costs associated with consolidation of the Dallas and Denver offices at Denver—Continued

COST OF CONSOLIDATION (ONE-TIME COST)	
Transfer of personnel and dependents.....	\$11,700
Shipment of household and personal effects.....	56,730
Transfer of records and equipment.....	114,471
Training of personnel and overtime.....	165,000
Relocating other agencies into vacated building in Dallas (GSA).....	67,000
Alterations and moving cost in Denver.....	41,000
Total one-time cost.....	455,901

**VETERANS' ADMINISTRATION,
INFORMATION SERVICE,
Washington, D. C., March 10, 1954.**

The Veterans' Administration announced today that work will be started immediately on the consolidation in 2 locations of the activities now being handled at 4 district offices.

Under the plan the Dallas district office will be merged with the Denver district office in Denver and the district activities now in Atlanta will be consolidated with the Philadelphia district office in Philadelphia.

The consolidations will save \$1,024,000 in annual salaries. Savings in rent payments will further increase anticipated economies. The transfer of functions will involve a one-time cost of \$1,016,000. Once these costs are paid, savings thereafter will be net.

In 1949 the Veterans' Administration had 13 district offices. Since that time, through a series of consolidations, this number has been reduced to 5 operating district offices. This experience has demonstrated conclusively that the consolidation of offices in no way reduces services to veterans as the offices do a mail-order business and continue to be as convenient to veterans as the corner mailbox.

The consolidation of the Atlanta and Philadelphia offices will make it possible to operate efficiently with at least 126 fewer persons than are required in 2 separate locations.

This will result in an annual minimum saving in salaries of \$533,493.

The Veterans' Administration will be vacating rented space in Atlanta into which the General Services Administration plans to move other Government operations, resulting in still further economies to the Government.

The consolidation of the Dallas and Denver offices will require at least 115 fewer employees than now are employed in the 2 locations.

This will result in a minimum saving of \$491,109.

The Veterans' Administration is occupying federally owned space in Dallas, so there will be no direct savings in rental. However, the vacated space will become available for other Government operations now in rented space.

To minimize the impact of the consolidation on personnel, Veterans' Administration plans to poll all employees to ascertain how many will accept transfer. All personnel transactions will be effected in accordance with civil-service rules and regulations and vigorous efforts will be made to assist in placing employees not desiring to transfer to a new location.

After this consolidation is completed, Veterans' Administration will have district offices at Philadelphia, Denver, and Fort Snelling, Minn.

**POSTAL AND AGRICULTURAL
POLICIES**

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, yesterday a distinguished and able Member of Congress, the gentleman from Virginia [Mr. HARRISON], made a serious and factual statement concerning the Post Office Department and in his statement the gentleman from Virginia presented an interesting but shocking report on the manner and method adopted by the Republican administration in eliminating hundreds of rural post offices and substituting the service with Republican appointed rural carriers at greater cost to the taxpayers. No Member of this body denied the charges presented by the distinguished gentleman from Virginia, and I want to congratulate him for bringing to our attention this shameful disregard of civil service by the Republican administration. In addition to the practice mentioned, in the 11th District of Missouri, which I represent, the Post Office Department has, without just cause or reason, preferred petty and ridiculous removal-from-office charges against efficient and honorable men serving as postmasters. Men whose reputation and service in office has never before been questioned. And I am reliably informed that such charges are preferred at the request of the Republican committees for the purpose of creating postmaster vacancies for Republican political patronage.

Now in addition to that, and of great concern to the farmers of America, is the ruthless partisan domination of the Agricultural Stabilization and Conservation Service by the Republican leaders in the administration. They not only changed Production and Marketing Administration to Agricultural Stabilization and Conservation Service, they are building and organizing a vast Republican political machine out of the Agricultural Stabilization and Conservation Service agriculture program. I will read to you a few of the letters I have received on this subject:

Hon. MORGAN M. MOULDER,
Missouri Congressman,
Washington, D. C.

DEAR SIR: I am writing to you in regard to the politics being played in our county agricultural stabilization and conservation office (formerly Production and Marketing Administration). In the past, the county office has been operated by the three elected (yearly) committeemen. They have employed their own help and have never employed anyone just because they were Democrats. We even had a Republican as a county committeeman for 12 years. What I am trying to say is this—that politics has never been played in our county office in the past. But now under the new administration, a new position has been set up in every county—that of county office manager. Our county is still holding them off, but I don't know how long we will be able to do this.

You may know who is giving the orders as well as I do—the State GOP chairman. They are using the lowest tactics imaginable to get their man in over the one recommended by the county committee. This office manager will hire and fire as he sees fit. I understand that before the county committee can even hire a day laborer, he will have to be approved by the State Republican Committee, or in counties that already have their office manager he will hire all help.

This is purely politics as you can see. If they get the job done, they will really have some political machine. I understand that at present there are already 80 in the

State and listen to this—in 1953 all three members of the county committee drew \$5,300. If we have an office manager in our county, he will draw \$4,280.

I guess you have been seeing in the papers recently of the suspensions of some of our county committeemen. On Friday, January 22, another was suspended in Saline County.

We have worked for 20 years to build up our farm program where it is, and now it looks like a shame to see it torn down. Can't you see what is going to happen after they get all their county managers appointed? They will freeze them on their job. I don't know what you can do about this, but I want you to hear about it in case you have not already.

ROBERT D. DODGE,
FOREST GREEN, Mo.

MALTA BEND, Mo.
Congressman MORGAN M. MOULDER,
Washington, D. C.

DEAR CONGRESSMAN MOULDER: I was in the Production and Marketing Administration office the other day, which is now the Agricultural Stabilization and Conservation Service office, I believe, and they told me that they had received word from the State office not to loan any money on any corn or wheat or beans stored in the Missouri River bottom, so I am writing to you now to see what you and the two Senators can get done on this matter, before our 1954 crop is ready to harvest, providing we raise any.

I do not see how they can discriminate against we farmers that are farming in the bottom; neither do I see how they can put quota allotments on us and not give us the benefit of the loan price. If they take the loan away from us, I think then that we should be able to raise all the crops we want to without any penalty attached. If they do not live up to their bargain, I do not think we should be made to live up to our bargain. If we do not get the advantage of the loan, then I do not propose to stay within the allotment, and I intend to sell all of my crop without a penalty, and I think through the law of equity I could beat them in any court.

Of course, all of we farmers want to do the right thing and we expect them to do the right thing also; so I am writing to you now asking you to see what can be done about this matter. I have my cribs built on a high ridge that the 1951 flood did not get over and that flood was the granddaddy of them all.

I think the law reads that if a farmer stays within the quota allotment, allotted to him or that farm, then he is entitled to get a farm loan, so according to the law I do not see how they can do otherwise.

I hope you can get some action on this matter as it means a lot to all of we farmers in the bottom.

Yours sincerely,
GEORGE W. HACKLEY, JR.

Congressman MORGAN M. MOULDER,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN MOULDER: I know you are a busy man and I seldom write to you unless I have something I think is important to take up with you. I wish you would take this matter up with our two Senators and see what they have to say about the matter also.

I have been reading in the papers that the Republicans are not playing any politics in the Department of Agriculture. This statement like all the other statements they have made are lies, I will not say they are false as that is too soft a word for me to use against them. Anyone that disputes my word on this matter is what I have called them and I will be glad to make a trip to Washington, D. C., and back it up, as I am a pretty good man weighing around 230 pounds and love to have a battle when it is necessary.

The first thing they have done is to make another job in each and every Production and Marketing Administration office all over the Nation, this job is to pay \$6,200 per year and the county committee does not have the qualifications for the job unless they are Republicans. The men that have been operating the county Production and Marketing Administration offices throughout the Nation for years are not smart enough to run the office unless they as I say are Republicans. Take Missouri alone, we have 114 counties, which would be that many additional jobs, which would be \$706,800 additional tax money every year for the Department of Agriculture and 48 States would be approximately 48 times that or \$33,926,400. This looks like they are trying to conserve and lower taxes.

Now so much for that. The other day one of our county committeemen from Saline County was suspended, why because he was a Democrat. This man is Rufus E. James. This man is a good man and a very conscientious worker which everyone will tell you.

I have been informed that past we elected our township committeemen from the people that attended the township committeemen election meeting, then we would elect a delegate at large from each township and they would meet and elect or select the county committeemen. That is the way we did this year, or last year rather, and of course we will have another election this year. I happen to be one of the township committeemen. Now if the people in the townships and the county elect the county committeemen, how in the world can they suspend one of them unless he has done something illegally.

I can remember when I lived in Lafayette County and as you know it has always been Republican, and you know we did not do any different there as they were all Republicans in the county committee and practically all Republicans on the township committee.

Yours sincerely,

GEORGE W. HACKLEY, Jr.

HON. MORGAN MOULDER,
United States Representative,
Washington, D. C.

DEAR SIR: I am taking the privilege of writing to inform you of a recent development in the Agricultural Stabilization and Conservation Office in Saline County.

On January 22, Mr. R. E. James, vice chairman of the Saline County committee, was suspended by the chairman of the Agricultural Stabilization and Conservation Committee, Mr. Murry Colbert. A copy of this letter is enclosed.

Here are some facts leading up to the suspension of Mr. James. About 6 weeks to 2 months ago a Mr. Payne, who is supervisor for the western half of Missouri for Commodity Credit, was in the county agricultural stabilization and conservation office to inspect records, etc. This was Payne's first visit to the local office since his having been appointed to the job, and the manner in which he introduced himself and made his inspection of records most certainly did not make a favorable impression with the office personnel. During his inspection he recommended to Mr. James that he discharge 2 men who were employed at 1 of the bin sites. At no time during the remainder of his visit did Payne go into the matter further. Mr. James did not discharge the two men, as he knew of no reason other than Payne recommended it.

Upon receipt of the letter suspending him, Mr. James and the other 2 members of the county committee went to see a Mr. Ernest Baker, who is supervisor on all phases of the program for 13 counties, of which Saline is 1.

Mr. Baker told them that he and Payne had made an inspection of the Marshall bin site unbeknown to the county committee and that the bin site supervisor reported to them, Baker and Payne, that one of the men spent a lot of time loafing at the sale barn which is located a short distance from the bins. This was never reported to any member of the county committee by the bin-site supervisor, and therefore the county committee was not aware of this and could not remedy the situation. Since Mr. James was responsible for this part of the program, he was suspended for a situation of which he knew nothing, and was given no chance to defend himself.

The other interested parties, mentioned in the letter of suspension, refers to a Mr. John Crosswhite, of Marshall. Mr. Crosswhite is the husband of the Republican county chairman, and also is part owner of the sale barn mentioned before.

The letter suspending Mr. James stated he was entitled to a hearing if he desired one. This hearing was held Friday, January 29. Only two members of the State committee were present, Mr. Colbert and Mr. Bailey. Mr. James was informed in so many words at the outset of the hearing that regardless of what he and the other members of the county committee, who were present, said, his suspension would continue. The State committee stated that Mr. Payne and Mr. Baker were to make another inspection, and if they should recommend Mr. James be reinstated, he would be.

Mr. MOULDER, Mr. James has been associated with the program since 1936 and has been an elected county committeeman since 1948. Any person will have people who do not agree with them on all things when in such a position as Mr. James has. However, it is my belief, and the belief of all with whom I have talked and those people have been members of both political parties, that no person in Saline County will say that Mr. James is a "discredit" to the program. One fact which will bear this out is that Mr. James was reelected as a director and president of the board of the Co-Operative Association No. 1, Slater, Mo. on January 30. If this does not show that the people of the community in which Mr. James lives have confidence in his judgment and integrity, then I do not know what does.

The Missouri situation is most certainly in a deplorable state and will most certainly affect the program. The State committee is making a political issue out of this and the people do not want that. What the present administration has to offer is little enough without sabotaging what they do have.

Mr. MOULDER, we are wondering if it is legal for an appointed committee to remove any elected member of a committee, especially with no more reason than given in this case. The statutes and bylaws governing the Department of Agriculture are not available locally and we are wondering if these should not be checked very carefully in Washington.

I have been associated with Mr. James as operator of his farm for the past several years and therefore have a personal knowledge of this situation. I accompanied Mr. James to Columbia for his hearing but was not present during his interview with the State committee.

Mr. MOULDER, we are very concerned with this matter here in Saline County and the State as a whole. We would appreciate your doing whatever is possible to help the success of the program in our State. Also we will appreciate your advice to us in any way which will help the local conditions.

Very truly yours,

FRANCIS M. CLEVE,
Route 1, Miami, Mo.

The farmers of America, both Republicans and Democrats, resent political bosses interfering with and dominating the Agricultural Stabilization and Conservation Service as is now being administered by the Republican administration.

HONEST, COURAGEOUS REPORTING

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, it is indeed a rare thing when a television network will stick its neck out by initiating or permitting to go out over its facilities a really hard-hitting, honest, unvarnished report on a highly charged, completely controversial issue. We have learned to expect television to pull its punches in a situation like that in order not to offend any articulate section of the population, or the sponsor, or some network vice president with a bad case of timidity.

Last night, however, the Aluminum Company of America again sponsored and the Columbia Broadcasting System again carried over its facilities the kind of objective analysis of a hot—really hot—issue which, to my mind, redeems television journalism and puts it into the journalistic bigtime. I am referring, of course, to the Edward R. Murrow-Fred W. Friendly See It Now program. Last night it was devoted to the much-publicized probes.

I trust many of my colleagues saw the Murrow program. I trust they were impressed by the facts brought out in that telecast. It was a devastatingly effective program—accompanied, it might be noted, by an offer to the subject of the program for an opportunity to answer it if he cares to.

In any event, Mr. Speaker, I did not want the occasion to go by without rising here in the House to express my thanks—as a newspaperman by occupation, as one who learned professionally to seek out the truth and be satisfied with nothing less than the accurate facts—for the really excellent job done last night in behalf of accuracy in political discussion by the Murrow-Friendly team over CBS.

And I should like to express my thanks to the Aluminum Company of America for having demonstrated an enlightened faith in the American system of free discussion of controversial issues by sponsoring the Murrow program and by giving it the complete editorial freedom last night's program again proved it enjoys.

It was an outstanding example of honest, courageous reporting.

THE LATE HONORABLE JOSEPH R. BRYSON

Mr. ASHMORE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. ASHMORE. Mr. Speaker, I should like to memorialize my late friend, and predecessor who was a Member of this august body for many years, the Honorable Joseph R. Bryson. One year ago today he departed this life. His going left a vacant place which has not been filled, but we love and respect his memory.

Through the years, Joe, was my personal friend; and I valued his friendship. I sincerely share with Mrs. Bryson and members of that devoted family the memory of one so near and dear to them.

Those of us who knew Joe Bryson think of him as a gentle, Christian spirit, one always ready to serve his fellow man. His influence will live on and on—until eternity. He loved his fellow men and their fellowship. He was devoted to serving his district and his country. He was one of the—

Tall men, sun-crowned, who live above the fog,
In public duty, and in private thinking.

He was also one of those—

Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions, and a will;
Men who have honor, who will not lie.

THE DAIRY INDUSTRY

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I have introduced H. R. 8276 to establish a comprehensive dairy program that will encourage a stable, prosperous, and productive dairy industry. Dairying is a vital part of our farm economy. Sixty percent of our farmers depend upon the dairy cow as a major source of their income. Ten million people depend upon the dairy industry for their livelihood. It is a big industry made up of family farms and family businesses. It deserves our best efforts to promote its steady growth.

Important as the dairy industry is to the farm family and to the independent businessman, it is of even greater importance to the consumer. No other food known to man provides so valuable and nutritious a diet as dairy foods. The efficiency of the dairy farmer in his constant effort to provide the best quality product humanly possible makes this wholesome diet within the reach of every pocketbook. No food dollar is more wisely spent than the dairy dollar which buys a balanced diet of milk products so essential to the healthy development of the human body.

Despite the misleading propaganda of the past months, the dairy farmer is a friendly and neighborly man. He and his family work their farms long hours,

day in and day out, for a modest financial return. Every dairy farmer I know wants to produce food for the dinner table, not the storage warehouse. He knows that milk, butter, and cheese provide better living at the family table and he wants the food he produces to be eaten by the families of America.

The limitations and restrictions of past laws have sometimes tended to hamper the flow of rich dairy foods into the family household. The need and market for dairy products were there, but artificial barriers arose to keep the food from reaching the table. In order to correct these inequities and to move food from the farm to the dinner table, I offered this bill as one approach to the problem. We have tried to learn from the past and meet the present so that our suggestions will be constructive. My sole intent is to provide the mechanics whereby an industry that is basically sound can better serve the people for whom it produces.

Farmers are a proud and independent people, in the American tradition, and they do not ask any government to do what they, themselves, can do. Like other Americans, they want government to be not an autocratic master but a wise servant of the people. I have tried to maintain this democratic spirit in the legislation offered for the consideration of this Congress.

The bill proposes a council composed of farmers themselves, consumers, and industry representatives to determine the best means by which to carry out the intent of the law. From among the council members a board is chosen to actually administer the programs needed to put this intent into action. A spirit of cooperation between farmers, consumers, and processors is, I believe, the firm foundation upon which the success of any program for the improvement of agriculture must depend. In our great American economy, we are interdependent upon one another and all of us need to cooperate freely and unselfishly to solve the many and complex problems that face us. This is probably more important to the dairy industry than any other since it is so intimately related to the necessities of human life and the processes of human enterprise.

I have no cure-all to offer. There is still thinking to be done and there are still suggestions to be made. But I think it is time that all of our study be brought to some constructive and productive use. In every activity there is a time when further talk is fruitless and when some action, imperfect as it may be, must be taken. I think that time has come in the dairy industry.

My basic proposal, I believe, is in the best traditions of our Government's service to the people. It relies both upon self-help and government assistance where government can best assist. It is left to a board of the people most intimately concerned to determine the fine balance at which both means can work to the best advantage of all.

My primary intent, as I have said, is to move dairy food to the dinner table at prices people can afford with a fair return to the farmer. We will all admit

that this is an admirable goal. But it will not be reached by study clubs and good intentions; it needs immediate constructive action designed to accomplish in fact what we all admit to be true in theory.

The immediate purpose of this legislation is to create an agency within our Department of Agriculture that can respond freely and immediately to conditions as they exist at any given time. It needs to be able to operate in the direction of increase in production to meet the needs of the consumer. At the same time it must be able to operate as a governor upon unreasonable surpluses and to prevent chaos.

By encouraging improved quality and more efficient marketing, the dairy council program can help to reduce the spread between the price the farmer receives and the price the consumer pays. Consumer representation on the council and board determining and administering the policies of the program will keep our industry in closer contact with consumer needs and consumer preferences. Every industry in the final analysis depends upon pleasing its customers. By bringing the customer into the deliberations of the dairy farmers, I believe we can solve some of the problems that plague us today.

To assist the industry in converting its plants and facilities to meet new or changed consumer demands, this bill would authorize the Bank for Cooperatives to make loans to creameries and other manufacturers with the approval of the Dairy Council. This will make it possible for the industry to respond promptly to necessary shifts in production.

From the farmer's standpoint, I feel that a program related to feed-cost ratios will provide a more realistic basis for stabilized and profitable production and consequently for a more stabilized and prosperous industry. While it is a departure from the parity concept, it will give added protection to the dairy farmer since it will balance his return more evenly with feed costs. It will insure him against disaster from increasing production costs by relating his price to the cost he pays to produce milk and its products.

Under present law, dairy products are supposed to be supported at 90 percent of parity. However, the national average price farmers actually received for butterfat on February 15, 1954, was 65.1 cents a pound, which was only 85 percent of parity. Unless the recent order of the Secretary of Agriculture is changed, the support price on butterfat would drop to 75 percent of parity on April 1, 1954. This would be 57 cents a pound under present conditions.

To demonstrate the effect of my bill a comparison of the price levels will be useful. If the provisions of this act were in effect, dairy farmers would have received 70.3 cents a pound for butterfat at a time when they were actually only receiving 65.1 cents a pound under the present law.

It takes about 5.9 pounds of grain concentrates, 10 pounds of good hay, and

22.4 pounds of good silage to produce a pound of butterfat. Based on effective parity prices in February, it took 23.8 cents worth of grain concentrates to produce a pound of butterfat. Similarly, it took 30.5 cents worth of hay and silage. Capital investment and labor costs are estimated to be 16 cents in producing the same pound of butterfat, making a total cost of 70.3 cents a pound. The same formula would apply under my bill in determining the cost of producing 100 pounds of milk.

Milk producers and importers would pay a graduated fee based on the market price of their products as compared to the adjusted price level determined under the bill to help pay the cost of the program. The adjusted price level under my bill would have been 70.3 cents a pound on February 15, 1954, but since the farmer was receiving 65.1 cents a pound, his fee would be based on 93 percent of the adjusted price level. Under the act the fee would then be 4 percent of the market price or 2.6 cents a pound on the butterfat sold.

If the price received on the market was 45 cents a pound, the producer would be receiving about 64 percent of the adjusted price level so that his fee would be 1 percent of the market price or about one-half cent a pound for all butterfat he sold. When the market price of butterfat is high, the fees collected would build a financial reserve for those years when the price dropped.

It is my hope that if the cost ratio proves to be a successful principle upon which to base a dairy program that it can be extended to other phases of the livestock industry. Stable farm income is recognized as vital to our entire economy and a proper relationship between phases of our agriculture is essential to that stability.

By giving the board a free hand in marketing the surplus of our production I believe we can overcome the fear that hangs over the industry today. By permitting the dairy board to take advantage of every market that exists at home and abroad, we can move our production into use and eliminate the costs of storage and the threat of dumping. It is always cheaper to have our food eaten than have it wasted. My bill would permit dairy products to be used to relieve hardship at home and as instruments of our foreign policy abroad. Every new customer we make for American agriculture in the United States and the world will assure us of the stable markets we need for the future.

In further recognition of this principle, I have included provisions to permit the Board to cooperate in advertising to the extent of 1 percent of the fees collected under the program. It may also take part in promotion programs using sample products so that many still unfamiliar with old and new dairy foods will find that a dairy diet is not only wholesome but delicious. The dairy industry has been making a strenuous effort to tell the story of dairy foods and it is proper that any comprehensive program should provide cooperation in that worthwhile endeavor.

By encouraging greater use of dairy foods in the armed services and in the

school lunch program we will be making a sound investment in the future health of our Nation. Similarly, more extensive use of these foods to raise the subsistence diets of our needy, aged, and disabled will be an investment in the national well-being even apart from the great humanitarian motives which have always been a part of the American system.

Offering our products at competitive prices in the world market is not only good business but good government. Expanding and extending the channels of peaceful trade is a contribution to our own security and to the security of our friends, many of whom need food as badly as they need guns in their fight against communism.

Taken all together, I believe that the program we are offering will be less costly to the American taxpayer than the present program while giving him more of the fruits of our production. While it may not be self-supporting in the first years of its operation it includes within itself the machinery to bring production and consumption into a better balance, which is the ultimate hope of eliminating cost to the Government.

Following is a brief summary of the legislation itself and I hope every Member of Congress will give it his serious study and his constructive criticism.

Purpose: To assure dairy farmers a stabilized income, to provide consumers with an adequate supply, and to promote the production of quality dairy products.

Federal Dairy Council: Creates a Federal Dairy Council under the Department of Agriculture to determine policies under the act. Composed of 45 members appointed by the President from nominees submitted by the governors of the States, 30 of whom must be milk producers, 8 to represent consumers, and 7 to represent dairy centralizers.

Federal Dairy Board: Creates a Federal Dairy Board to administer the policies and programs of the Council. Composed of five members of the Council, one of whom must be a consumer representative.

Method of operation: Program based on self-help and Government price supports. Board with the approval of Council to determine production goals, support the price of dairy products by purchase program and payment of adjusted price payments as fixed by the act. Will collect adjusted price fees from producers and importers under formula in the act to help pay cost of program. Board has authority to invoke production quotas. Board has authority to recommend production shifts within industry and would make loans through Bank for Cooperatives to convert plants and facilities to meet consumption demands. Board would not purchase if consumption meets production.

Adjusted price level: Determined by the Dairy Council to be the price which would return to milk producers 100 percent of the cost of producing dairy products.

Adjusted price payments: Board shall make adjusted price payments to producers based on 100 percent of the ad-

justed price level. No specific authorization made for appropriations but believed that the cost for the first year will be less than cost of present program. Later self-help features will be in operation.

Adjusted price fee: To be collected from all producers and importers on basis of market price. No fee if market price is less than 60 percent of adjusted price level. When market price is 60 to 70 percent of the adjusted price level, fee is 1 percent and then graduated to 15 percent if market price is 130 percent or more of adjusted price level.

Surplus production: The Commodity Credit Corporation to act as agent for Board in purchasing and removing surplus production from domestic consumption channels at such levels as to return 100 percent of the adjusted price level to producers. Board may sell surplus at less than current price for export, to the armed services, to school lunch program, or to rotate stocks by such sales as the Board may determine. Present dairy products held by the Commodity Credit Corporation would be turned over to the Board for disposal. Board also has authority to distribute surplus production to needy, public and private welfare agencies, and foreign relief agencies such as CARE. Board could not sell any stock acquired for less than cost if stocks were for use in usual channels of domestic consumption.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. HAGEN of Minnesota. Mr. Speaker, I request unanimous consent that the Committee on Post Office and Civil Service, which has recommended favorably H. R. 7774, a bill to establish a uniform system for the granting of incentive awards to officers and employees of the United States, and for other purposes, have until midnight tonight in which to file its report on this legislation.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

MINORITY VIEWS ON H. R. 6052 TO READJUST POSTAL RATES

Mr. HAGEN of Minnesota. Mr. Speaker, I ask unanimous consent to file additional minority views on H. R. 6052, a bill to readjust postal rates, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE BURGESS BONER

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, immediately after the present administration took office, they quickly put into operation the hard money, high interest policy. Interest rates were raised three-fourths of 1 percent by the issuance and sale of long-term Government bonds at 3¼ percent instead of the previous long-term rate of 2½ percent. This was setting the policy for an increase in interest rates on Government securities which when put into effect on the entire debt, would mean a \$2 billion a year increase to the taxpayers. This issue is now selling at a premium of more than \$9 on \$100, or a capital gain of \$100 million for those fortunate enough to have obtained the bonds. It is referred to as the Burgess boner.

Dr. Burgess is now pushing a policy of deflation by extending the maturity of the national debt at the very worst time possible to do so. There is only one good reason to lengthen the maturity of national debt at a time like this and that is to increase interest payments to banks and other lenders, and to give a few people in the Treasury Department, handling the national debt, more leisure time and fewer problems. It will result in higher cost to the taxpayers for decades to come.

LESSONS OF HARD MONEY

First. It was not difficult to restrict business by tight-money measures, but once business had been restricted it is proving difficult to expand it by easy money. It is easy to pull on a string, but difficult to push a string.

Second. In curbing the boom the administration substituted neither price stability nor economic stability but produced a recession instead.

Third. Hard money was intended only to clip the wings of the "goose that lays the golden eggs" but if the Democrats had not been effective in opposing this policy they would have killed the bird instead.

PROSPERITY FROM THE TOP DOWN—TRICKLE DOWN ECONOMICS

The present administration policy of trying to spread prosperity by helping a few wealthy individuals who would not use their increased wealth to buy goods or services, is like the cattleman trying to fatten his herd by feeding the bull.

Our productive capacity is sufficient now. Our present problem is consumption of the production. Automobile plants are capable of turning out 8 million cars this year, but only 5 million cars are likely to be produced. Steel companies capable of operating at 109 percent of theoretical capacity are producing at the rate of 72 percent. There are two essentials for an economy operated in the interest of the general welfare of the people. They are: first, maximum production; and second maximum purchasing power.

But production and purchasing power cannot be maintained unless production is consumed. This makes it necessary that our purchasing power be spread where it will do the most good.

There is no urgent need at this time for additional savings to be used to finance investment for more production

expansion, for two reasons: First, we have an excess of inventory at this time and second, manufacturing companies are obtaining such a large part—almost 100 percent of their financial requirements for expansion and modernization, by retained earnings, depletion, and depreciation allowances.

If additional tax savings are to be put into the hands of a wealthy few who do not need the money to buy consumer goods, it may result in bidding up the price of existing securities and start us down the road that we followed in the late twenties and preceding the bust of 1929.

Under the administration's tax program of being kind to coupon clippers a taxpayer with three dependents who receives \$12,000 a year in dividends may pay no Federal income tax at all after 1956 whereas the taxpayer with three dependents who works and earns \$4,000 per year or one-third the amount, will pay several hundred dollars in taxes.

It is important that we not encourage speculation and again make the mistake of the late twenties, by diverting more and more money from the hands of those who need it for consumer goods, and, who will spend it for consumer goods, into the hands of those who will use it for speculation in securities.

The rapid growth of money savings as compared with consumer expenditures in the twenties retarded rather than accelerated the growth of productive capital. The excess savings which entered the investment market served to inflate prices of existing capital goods and to produce financial instability. A larger relative flow of funds through consumptive channels would have led to a larger utilization of existing productive capacity and also to a more rapid growth of plant and equipment.

The above excerpt is from *Controlling Factors in Economic Development*, by Harold Glenn Moulton of the Brookings Institution, Washington, D. C., 1949.

FLEXIBLE ECONOMICS FOR FARMERS, FOR LENDERS

The flexible farm program has its greatest support from the farmers who "farm" the farmers.

The flexible farm program means less money to the farmer. It will cause the farmer to work harder because he must produce more in order to make up for his lower price under the flexible program.

The flexible monetary program works the other way. It allows those who manufacture the money of the country, banks create money, to get more interest for this money, and means higher incomes and more leisure for lenders generally.

The largest cotton crop in the United States in any one year was in 1937. It was 19 million bales. The price at the time of making the crop was 53 percent of parity, which is an outstanding example of farmers working twice as hard to double their lower income so they would have the same amount for their standard of living.

HEAD-IN-THE-SAND ECONOMICS

Testimony before the Joint Committee on the Economic Report was that

you cannot talk a country, with a sound economy, into a depression.

The National Association of Manufacturers' chief economist, Martin R. Gainsbrugh, of the National Industrial Conference Board, said before the Joint Committee on the Economic Report on February 17, 1954:

What has happened to production in virtually every major manufacturing industry since last summer warrants the technical label of "recession."

The staff of the Joint Congressional Committee on the Economic Report has warned that—

The possibility of inadequate total demand to sustain maximum employment and production amounts to \$2 billion in fiscal 1954 and \$13 billion in fiscal 1955. If this estimate of public and private programs is correct, for the first time in several years these programs add up to less demand than the economy can satisfy at maximum levels of employment and production.

The day after this staff report was published Secretary of the Treasury Humphrey announced he would urge the President to veto legislation providing for tax relief for lower and middle income groups by raising personal exemptions.

Mr. Humphrey stressed that he was optimistic that things are picking up already. (New York Journal of Commerce, March 1, 1954.)

This attitude brings to mind wishful thinking of an earlier day:

Prosperity is just around the corner. (President Hoover, January 21, 1930.)

SAE DISTINGUISHED SERVICE AWARD

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, to revise and extend my remarks and include a copy of an award to the Honorable CLIFFORD DAVIS, of Tennessee.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, yesterday was the 98th anniversary of Sigma Alpha Epsilon fraternity. Last evening we had the privilege of attending the 98th anniversary Founders' Day dinner sponsored by the Washington Alumni Association at the National Press Club here in Washington.

The Washington Alumni Association of Sigma Alpha Epsilon arranged a most interesting program, which was enjoyed by several hundred SAE's. Dr. H. C. "Curly" Byrd, an SAE from Maryland Beta, and president emeritus of the University of Maryland, was the guest speaker. Two 50-year certificates were awarded to Rev. Edward Slater Dunlap, New York Sigma Phi, and Dr. Frederick M. Feiker, Massachusetts Delta. A special athletic award was presented to Bernie Faloney, Maryland Beta, Maryland's all-American quarterback last year.

A most outstanding feature of the program was the presentation of a distinguished service award to our colleague,

the Honorable CLIFFORD DAVIS, Mississippi Gamma. The Honorable Paul A. Walker, former Chairman of the Federal Communications Commission, who recently retired from many years of outstanding service, and who was awarded a certificate of 50-year membership as an SAE, a year ago, presented on behalf of the Washington, D. C., Alumni Association of SAE, the distinguished service award to CLIFF DAVIS, in recognition of outstanding service to the fraternity and his country. The signal honor is well deserved and due to its special significance, I include it in the RECORD:

THE WASHINGTON, D. C., ALUMNI ASSOCIATION OF SIGMA ALPHA EPSILON DISTINGUISHED-SERVICE AWARD—THE HONORABLE CLIFFORD DAVIS

For distinguished service to the Sigma Alpha Epsilon Fraternity beyond the call of duty, the Washington, D. C., Alumni Association of Sigma Alpha Epsilon presents its distinguished-service award to the Honorable CLIFFORD DAVIS, of Memphis, Tenn., a Member of the United States Congress for the past 14 years.

Initiated by the Mississippi Gamma Chapter of Sigma Alpha Epsilon in 1918, CLIFFORD DAVIS has since continuously served his fraternity by guiding young worthy students into the fold of Sigma Alpha Epsilon and by being ever ready to go anywhere at any time to lend his services as adviser to young college men of the active chapters and to the alumni associations of the fraternity.

As speaker and toastmaster at alumni association and college chapter meetings and founders' day banquets, he has brought sound guidance and advice, as well as entertainment of the highest caliber and inspiration.

As a statesman, CLIFFORD DAVIS has served his city, State, and Nation with patriotism and devotion. His record of public service, ably and patriotically performed, stands as a lasting tribute to his honor, courage, and integrity.

A near victim of assassination on the floor of the House when on March 1, 1954, fanatics fired pistol shots from the Gallery, wounding him and other Members of Congress, he exhibited the same unwavering courage which has characterized his conduct throughout his life.

The Washington, D. C., Alumni Association of Sigma Alpha Epsilon, therefore, proudly presents to CLIFFORD DAVIS this distinguished-service award.

PAUL A. WALKER,
WILLIAM STELL,
CARLTON U. EDWARDS II,
HARRY HENKLE,
HEBER RICE,
CHARLES HOLLEY,
Committee on Awards.

WASHINGTON, D. C., March 9, 1954.

RESIGNATION FROM JOINT COMMITTEE ON IMMIGRATION AND NATIONALITY POLICY

The SPEAKER laid before the House the following communication, which was read:

MARCH 10, 1954.

HON. JOSEPH W. MARTIN, JR.,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith submit my resignation from the Joint Committee on Immigration and Nationality Policy.

Most sincerely,

PATRICK J. HILLINGS,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of Public Law 414, 82d Congress, the Chair appoints as a member of the Joint Committee on Immigration and Nationality Policy to fill the existing vacancy thereon the gentleman from Maryland, Mr. HYDE.

UNITED STATES V. WARREN L. STEPHENSON

The SPEAKER laid before the House the following communication, which was read:

WASHINGTON, D. C., March 9, 1954.
The honorable the SPEAKER,
House of Representatives,
Washington, D. C.

SIR: From the District Court of the United States for the District of Columbia, I have received a subpoena duces tecum directing me to appear before said court as a witness in the case of the *United States v. Warren L. Stephenson* (Criminal Case No. 1838-53), and to bring with me stenotype notes of testimony of June 26, 1953, before subcommittee on defense activities of House Committee on Armed Services.

The rules and practice of the House of Representatives indicate that papers and records of the House may not be produced in a court of law either voluntarily or in obedience to a subpoena duces tecum without the consent of the House being first obtained.

The subpoena in question is herewith attached and the matter is presented for such action as the House may see fit to take.

Respectfully yours,

CLIFTON HUNT.

The SPEAKER. The Clerk will read the subpoena.

The Clerk read as follows:

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—UNITED STATES OF AMERICA V. WARREN L. STEPHENSON, CRIMINAL CASE NO. 1838-53

NOTE.—Report to new courthouse between 3d Street and John Marshall Place on Constitution Avenue NW., Courtroom No. 8. Sp. ad test: Court of Chief Judge Laws.

THE PRESIDENT OF THE UNITED STATES TO CLIFTON HUNT,
1832 Michigan Avenue NE.

(Bring with you stenotype notes of testimony of June 26, 1953, before Subcommittee on Defense Activities of House Committee on Armed Services.)

You are hereby commanded to attend the said court on Monday, March 15, 1954, at 9 o'clock a. m., to testify on behalf of the United States, and not depart the court without leave of the court or the district attorney.

Witness the Honorable Bolitha J. Laws, chief judge of said court, this ____ day of _____, A. D. 19____

HARRY M. HULL, Clerk.
By HAROLD G. DODD,
Deputy Clerk.

MARSHAL'S RETURN

Summoned the above-named witness _____

W. BRUCE MATTHEWS,
United States Marshal.

By _____, Deputy.

The SPEAKER laid before the House the following communication, which was read:

WASHINGTON, D. C., March 9, 1954.
The honorable the SPEAKER,
House of Representatives,
Washington, D. C.

SIR: From the District Court of the United States for the District of Columbia, I have received a subpoena duces tecum directing me to appear before said court as a witness in the case of the *United States v. Warren L. Stephenson* (Criminal Case No. 1838-53), and to bring with me all stenotype notes of July 31, 1953.

The rules and practice of the House of Representatives indicate that papers and records of the House may not be produced in a court of law either voluntarily or in obedience to a subpoena duces tecum without the consent of the House being first obtained.

The subpoena in question is herewith attached and the matter is presented for such action as the House may see fit to take.

Respectfully yours,

SAM FRIEDMAN.

The SPEAKER. The Clerk will read the subpoena.

The Clerk read as follows:

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—UNITED STATES OF AMERICA V. WARREN L. STEPHENSON, CRIMINAL CASE NO. 1838-53

NOTE.—Report to new courthouse between Third Street and John Marshall Place on Constitution Avenue NW., courtroom No. 8. Sp. ad test: Court of Chief Judge Laws.

THE PRESIDENT OF THE UNITED STATES TO SAM FRIEDMAN,
939 D Street NW.

(Bring with you all stenotype notes of July 31, 1953.)

You are hereby commanded to attend the said court on Monday, March 15, 1954, at 9 o'clock a. m., to testify on behalf of the United States, and not depart the court without leave of the court or the district attorney.

Witness the honorable Bolitha J. Laws, chief judge of said court, this ____ day of _____, A. D., 19____

HARRY M. HULL, Clerk.
By HAROLD G. DODD,
Deputy Clerk.

MARSHAL'S RETURN

Summoned the above-named witnesses _____

W. BRUCE MATTHEWS,
United States Marshal.

By _____, Deputy.

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 469) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas in the case of United States against Warren L. Stephenson (Criminal Case No. 1838-53) pending in the United States District Court for the District of Columbia, subpoenas duces tecum were issued by the said court and addressed respectively to Clifton Hunt, 1832 Michigan Avenue NE., and to Sam Friedman, 939 D Street NW., sometimes employed under contract as stenotype reporters of proceedings of committees of the House of Representatives, directing them to appear as witnesses before the said court on the 15th day of March 1954, at 9 o'clock antemeridian to testify and to bring with them certain stenotype notes in the possession and under the control

of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That Clifton Hunt and Sam Friedman be authorized to appear at the place and before the court named in the subpoenas duces tecum beforementioned, and take with them, respectively, the stenotype notes called for in said subpoenas duces tecum, which said stenotype notes may be used to assist the said Clifton Hunt and Sam Friedman in testifying before the said court, but which stenotype notes shall remain the property of the House of Representatives and shall be returned to the House of Representatives immediately upon the return of the verdict in the instant case; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpoenas aforementioned.

The resolution was agreed to, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HÉBERT (at the request of Mr. PASSMAN), for the balance of the week, on account of official business.

Mr. PATTEN, for an indefinite time beginning March 11, 1954, on account of official business.

Mr. BRAMBLETT, indefinitely, on account of official business.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. STRINGFELLOW in two instances and to include in one instance extraneous matter.

Mr. RAY on the bill H. R. 2344.

Mr. SHEEHAN.

Mr. CELLER in four instances.

Mr. BURDICK in two instances.

Mr. JOHNSON of Wisconsin.

Mr. CURTIS of Missouri to include in the remarks he made in the Committee of the Whole today certain tables.

Mr. DORN of New York.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Thursday, March 11, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1341. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 14 (b) of the Federal Reserve Act, as amended"; to the Committee on Banking and Currency.

1342. A letter from the Assistant Secretary of the Interior, transmitting a letter to Fred Harvey which, when approved by the regional director, region 3, National Park Service, will renew for the period January 1, 1954, through December 31, 1954, concession permit No. I-29np-43, under which the company is authorized to operate the Painted Desert Inn, Petrified Forest National Monument, Ariz., pursuant to the provisions of the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1343. A letter from the secretary, American Chemical Society, transmitting the annual report of the American Chemical Society for the calendar year 1953, pursuant to section 8 of Public Law 358, 75th Congress; to the Committee on the Judiciary.

1344. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 30, 1953, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of the harbor at Anaheim Bay, Calif., with a view to shore protection, authorized by the River and Harbor Act approved on July 24, 1946 (H. Doc. No. 349); to the Committee on Public Works and ordered to be printed with one illustration.

1345. A letter from the Comptroller General of the United States, transmitting a report on audit of the Railroad Retirement Board for the fiscal year ended June 30, 1952, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1346. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend the act of June 27, 1952, to provide for judicial review of deportation orders under the immigration laws, and for other purposes"; to the Committee on the Judiciary.

1347. A letter from the Managing Director, Export-Import Bank of Washington, transmitting the 17th Semiannual Report of the Export-Import Bank of Washington, covering the period July-December 1953, pursuant to section 9 of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. Report pursuant to section 136 of the Reorganization Act of 1946 pertaining to a health inquiry; without amendment (Rept. No. 1338). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. Senate Joint Resolution 63. Joint resolution authorizing the District of Columbia to enter into interstate civil-defense compacts; with amendment (Rept. No. 1339). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 7308. A bill to repeal section 307 of title III of the Federal Civil

Defense Act of 1950, as amended; without amendment (Rept. No. 1340). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 7329. A bill to repeal section 1174 of the Revised Statutes, as amended, relating to the cooperation of medical officers with line officers in superintending cooking by enlisted men; without amendment (Rept. No. 1341). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. S. 2247. An act to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations; without amendment (Rept. No. 1343). Referred to the House Calendar.

Mr. HAGEN of Minnesota: Committee on Post Office and Civil Service. H. R. 7774. A bill to establish a uniform system for the granting of incentive awards to officers and employees of the United States, and for other purposes; with amendment (Rept. No. 1344). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 3854. A bill to authorize the sale of certain public land in Alaska to the Rabbit Creek Community Club of Anchorage, Alaska; with amendment (Rept. No. 1342). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H. R. 8311. A bill to provide that a district office of the Veterans' Administration shall be maintained in the city of Atlanta, Ga.; to the Committee on Veterans' Affairs.

By Mr. HAGEN of Minnesota:

H. R. 8312. A bill to modify the act of October 8, 1940 (54 Stat. 1020) and the act of July 24, 1947 (61 Stat. 418) with respect to the recoupment of certain public-school construction costs in Minnesota; to the Committee on Interior and Insular Affairs.

By Mr. LANTAFF:

H. R. 8313. A bill to provide that Members of Congress shall be paid mileage at the rate of 10 cents per mile for 6 trips to and from their homes in each year; to the Committee on House Administration.

By Mr. LYLE:

H. R. 8314. A bill to amend the Tariff Act of 1930 so as to increase the duty imposed upon the importation of broom corn; to the Committee on Ways and Means.

By Mr. REED of Illinois:

H. R. 8315. A bill to limit the operation of sections 281 and 283 of title 18, United States Code, and section 190 of the Revised Statutes of the United States (5 U. S. C. 99) with respect to counsel in a certain case; to the Committee on the Judiciary.

By Mr. VELDE:

H. R. 8316. A bill to amend chapter 75 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 8317. A bill to amend section 1507 of title 18, United States Code, to prohibit the picketing of United States courts and the Congress, and for other purposes; to the Committee on the Judiciary.

By Mr. YORTY:

H. R. 8318. A bill to provide mandatory price supports through 1957 for dairy products, hogs, cattle, poultry and eggs, oats, soybeans, rye, flaxseed, barley, grain sorghums, and other commodities; to the Committee on Agriculture.

H. R. 8319. A bill to safeguard the health, efficiency, and morale of the American people; to provide for improved nutrition through a more effective distribution of food supplies through a food-allotment program; to assist in maintaining fair prices and incomes to farmers by providing adequate outlets for agricultural products; to prevent burdening and obstructing channels of interstate commerce; to promote the full use of agricultural resources; and for other purposes; to the Committee on Agriculture.

By Mr. CURTIS of Massachusetts:
H. R. 8320. A bill to revise, codify, and enact into law title 43 of the United States Code, entitled "Public Lands"; to the Committee on the Judiciary.

By Mr. YORTY:
H. R. 8321. A bill to provide adequate diets for the unemployed and their families in distress areas of unemployment; to the Committee on Agriculture.

H. R. 8322. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. YOUNG:
H. R. 8323. A bill to allow credit in connection with certain homestead entries for military or naval service rendered during the Korean conflict; to the Committee on Interior and Insular Affairs.

By Mr. FINE:
H. R. 8324. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for widows of certain former Federal employees who had rendered 35 years of service; to the Committee on Post Office and Civil Service.

By Mr. GUBSER:
H. R. 8325. A bill making an appropriation for a comprehensive survey of the San Francisco Bay area to be made by the Chief of Engineers in coordination with the Water Project Authority of the State of California; to the Committee on Appropriations.

By Mr. HAGEN of California:
H. R. 8326. A bill declaring the Communist Party and similar revolutionary organizations illegal; making membership in, or participation in the revolutionary activity of, the Communist Party or any other organization furthering the revolutionary conspiracy by force and violence a criminal offense, and providing penalties; to the Committee on the Judiciary.

By Mr. HORAN:
H. R. 8327. A bill to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes; to the Committee on Agriculture.

By Mr. MILLER of Nebraska (by request):

H. R. 8328. A bill to authorize the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande; to the Committee on Interior and Insular Affairs.

By Mr. O'KONSKI:
H. R. 8329. A bill to provide supplementary benefits for recipients of public assistance under Social Security Act programs through the issuance to such recipients of certificates to be used in the acquisition of surplus agricultural food products; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts:
H. R. 8330. A bill to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance and to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the

active service; to the Committee on Veterans' Affairs.

By Mr. SIKES:
H. R. 8331. A bill to authorize a survey of the Capitol Buildings for civil defense and for other purposes; to the Committee on Public Works.

By Mr. SPRINGER:
H. R. 8332. A bill to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. UTT:
H. R. 8333. A bill to amend the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

By Mr. WILLIAMS of New Jersey:
H. J. Res. 465. Joint resolution authorizing the creation of a Federal memorial commission to formulate plans for construction in the District of Columbia of an appropriate permanent memorial to Christopher Columbus; to the Committee on House Administration.

By Mr. KELLEY of Pennsylvania:
H. J. Res. 466. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction in the city of Washington, D. C., of an appropriate permanent memorial to the memory of the great Italian navigator and discoverer of America, Christopher Columbus; to the Committee on House Administration.

By Mr. HAGEN of Minnesota:
H. Con. Res. 207. Concurrent resolution establishing a joint congressional committee to conduct an investigation and study of potato surpluses; to the Committee on Rules.

H. Con. Res. 208. Concurrent resolution providing funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 207; to the Committee on House Administration.

By Mr. HOFFMAN of Michigan:
H. Con. Res. 209. Concurrent resolution authorizing the printing of additional copies of parts 1 and 2 of the hearings held by the Committee on Government Operations during the 83d Congress, 1st session, relative to commercial- and industrial-type activities in the Federal Government; to the Committee on House Administration.

By Mr. VELDE:
H. Con. Res. 210. Concurrent resolution providing for 35,000 additional copies of the report entitled "Organized Communism in the United States"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Resolution of the Rhode Island General Assembly memorializing Congress to make a thorough and complete investigation of the housing situation in the city of Newport with respect to all the available housing for military and service-connected civilian employees in the Newport area; to the Committee on Rules.

By the SPEAKER: Memorial of the Legislature of the State of Virginia, memorializing the President and the Congress of the United States relative to transmitting certified copies of interstate civil-defense compacts between the State of Virginia and the States of Alabama, Florida, Oklahoma, and Tennessee, pursuant to the Federal Civil Defense Act of 1950, Public Law 920, 81st Congress; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Virginia, memorializing the President and the Congress of the United States relative to requesting the Congress of the United States to compensate local governments for lands acquired for Federal pur-

poses; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to condemn the act of terrorism which took place in the House of Representatives on March 1, 1954, and to express confidence in the loyalty of the people of the Commonwealth of Puerto Rico; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:
H. R. 8334. A bill for the relief of Helmut Cermak and Hana Cermak; to the Committee on the Judiciary.

H. R. 8335. A bill for the relief of Miroslav Slovak; to the Committee on the Judiciary.
H. R. 8336. A bill for the relief of Antonin Volejnick; to the Committee on the Judiciary.

H. R. 8337. A bill for the relief of Bohumil Suran; to the Committee on the Judiciary.

By Mr. CROSSER:
H. R. 8338. A bill for the relief of Mrs. Margaret Geordt; to the Committee on the Judiciary.

By Mr. LANTAFF:
H. R. 8339. A bill for the relief of Edythe Buesse; to the Committee on the Judiciary.

H. R. 8340. A bill for the relief of Mrs. Margaret C. Haines; to the Committee on the Judiciary.

By Mr. MAILLIARD:
H. R. 8341. A bill for the relief of Kleoniki Argendell; to the Committee on the Judiciary.

By Mr. McMILLAN:
H. R. 8342. A bill for the relief of Hal H. Harbin; to the Committee on the Judiciary.

By Mr. MILLER of Maryland:
H. R. 8343. A bill for the relief of Wilmore E. Balderson; to the Committee on the Judiciary.

By Mr. MILLS:
H. R. 8344. A bill for the relief of Elza H. Byler; to the Committee on the Judiciary.

By Mr. O'NEILL:
H. R. 8345. A bill for the relief of Sister Ramona Maria (Ramona E. Tombo); to the Committee on the Judiciary.

H. R. 8346. A bill for the relief of Biricio O. Ocosta; to the Committee on the Judiciary.

H. R. 8347. A bill for the relief of Luis Laca Cristobal; to the Committee on the Judiciary.

By Mr. SIEMINSKI:
H. R. 8348. A bill for the relief of Joseph Antoniak; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:
H. R. 8349. A bill for the relief of Bernard L. Barker; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

555. By the SPEAKER: Petition of the secretary, Italian Barbers Mutual Aid Society, Philadelphia, Pa., endorsing enthusiastically the decision made on October 8, 1953, by the Government of the United States and the Government of Great Britain relating to the territory of Trieste; to the Committee on Foreign Affairs.

556. Also, petition of the director, State Legislative Council, Oklahoma City, Okla., relative to a resolution adopted by the roads and highways committee of the State Legislative Council recommending passage of H. R. 7124; to the Committee on Public Works.